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Performance Evaluation of the Partnership for Growth in the Philippines: 2011 – 2016

June 2019

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PARTNERSHIP FOR GROWTH IN THE PHILIPPINES: 2011 – 2016

EVALUATION REPORT

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Cover photo: Partnership for Growth in the Philippines strengthened links between academia and industry by bringing in industry players to help universities review and improve existing curricula.
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ABSTRACT

This report presents the results of a final performance evaluation of the Partnership for Growth (PFG) in the Philippines, a shared development framework promoting economic growth. The evaluation used document review and interview data to answer three questions:

1. In what ways did the PFG approach – as implemented in the Philippines – differ from the previous U.S. government (USG) approach to development in the Philippines, and how was that difference reflected in:
 - a. Bilateral cooperation and communication between the USG and the Government of the Philippines (GPH)?
 - b. Cooperation and communication between and within the USG agencies active under the PFG framework?
2. How did the PFG approach influence the design, implementation, and development outcomes of the USG and GPH projects in the PFG portfolio?
 - a. How useful was the PFG in strengthening GPH capacity?
3. How appropriate and useful was the constraints analysis for the overall PFG approach?
 - a. Were the constraints analysis and the selection of constraint themes for the PFG made properly?

The evaluation concluded that PFG differed from previous USG development approaches in the Philippines due to the jointly executed constraints analysis informing a bilateral development plan with significant GPH buy-in and cooperation. Alignment with the GPH and establishment of bilateral oversight institutions contributed to sustainable programmatic successes. PFG's effect could have been broader if supported by a larger portion of the USG development assistance budget, and the monitoring framework was not put in place until later in the PFG process. These two factors should be corrected in future initiatives of this type.

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ACRONYMS

ADB	Asian Development Bank
AEC	ASEAN Economic Community
ADR	Alternative Dispute Resolution
ADS	Automated Directives System (USAID)
ASEAN	Association of Southeast Asian Nations
BIR	Bureau of Internal Revenue (Philippines)
CA	Constraints Analysis
COA	Commission on Audit (Philippines)
COMPETE	Advancing Philippine Competitiveness
CSC	Civil Service Commission (Philippines)
DOF	Department of Finance (Philippines)
DOJ	Department of Justice (United States)
DOS	Department of State (United States)
DTI	Department of Trade and Industry (Philippines)
E3	Bureau for Economic Growth, Education, and Environment (USAID)
EQ	Evaluation Question
eTIS	Electronic Tax Information System
FPI	Facilitating Public Investment
GDP	Gross Domestic Product
GII	Global Innovation Index
GOCC	Government-Owned and -Controlled Corporation
GPH	Government of the Philippines
i3	Integrity for Investments Initiative
JCAP	Joint Country Action Plan
JUSTICE	Judicial Strengthening Through Increased Court Efficiency
KII	Key Informant Interview
LOA	Line of Action

MCC	Millennium Challenge Corporation
M&E	Monitoring and Evaluation
MSI	Management Systems International
NEDA	National Economic and Development Authority (Philippines)
PFG	Partnership for Growth
RARP	Revenue Administration and Reform Project (MCC)
SEC	Securities and Exchange Commission (Philippines)
SIMM	Scaling Innovations in Mobile Money
SOAR	SEC Oversight Assurance Review
SOW	Statement of Work
STRIDE	Science, Technology, Research and Innovation for Development
SURGE	Strengthening Urban Resilience for Growth with Equity
TA	Technical Assistance
TSC	Technical Subcommittee
TWG	Technical Working Group
TRADE	Trade-Related Assistance for Development
USAID	United States Agency for International Development
USG	United States Government
USTR	United States Trade Representative
WGI	Worldwide Governance Indicator

EXECUTIVE SUMMARY

Evaluation Purpose and Questions

USAID commissioned this final evaluation to capture whether and how Partnership for Growth (PFG) Philippines' application of constraints analysis (CA), bilateral engagement, and other non-traditional tools influenced the bilateral relationship between the United States government (USG) and government of the Philippines (GPH) as well as USG development outcomes in the Philippines. This evaluation also satisfied accountability requirements by producing findings and conclusions about the effectiveness of PFG programming in meeting intended country-specific goals. The evaluation answered the following evaluation questions (EQs):

1. In what ways did the PFG approach – as implemented in the Philippines – differ from the previous USG approach to development in the Philippines, and how was that difference reflected in:
 - a. Bilateral cooperation and communication between the USG and the GPH?
 - b. Cooperation and communication between and within the USG agencies active under the PFG framework?
2. How did the PFG approach influence the design, implementation, and development outcomes of the USG and GPH projects in the PFG portfolio?
 - a. How useful was the PFG in strengthening GPH capacity?
3. How appropriate and useful was the CA for the overall PFG approach?
 - a. Were the CA and the selection of constraint themes for the PFG made properly?

PFG Background

PFG Philippines is a U.S. presidential initiative that sought to leverage USG resources to support accelerated, sustained, and broad-based economic growth in the Philippines based on a joint economic CA, a bilateral Joint Country Action Plan (JCAP), increased accountability, 'non-assistance'¹ policy tools, and a USG whole-of-government approach that included cooperation between agencies such as USAID, the U.S. Department of State, the Millennium Challenge Corporation, and the U.S. Department of Justice. Signed jointly in 2011 by the USG and the GPH, the JCAP provided an implementation strategy to address four binding constraints to growth in the Philippines: (1) improving regulatory quality, (2) strengthening the rule of law and anti-corruption measures, (3) improving fiscal performance, and (4) strengthening human capacity.

Evaluation Design, Methods, and Limitations

The evaluation team used a non-experimental mixed-methods approach to answer the EQs. The team reviewed over 100 PFG-relevant documents. PFG encompassed 27 distinct activities and the evaluation team could not closely review all these activities. The team captured data from more than 15 PFG activities through 39 key informant interviews with more than 45 individuals. The team interviewed three categories of informants: (1) USG representatives; (2) implementing partners; and (3) the primary GPH points of contact for PFG activities.

¹ "Non-assistance" (sometimes referred to as "non-program assistance") refers to forms of assistance that do not require explicit funding.

These methods faced some challenges and limitations, including sample selection bias, recall bias, response bias, and on-the-ground contextual changes over time. Sample selection bias was minimal but recall bias may have been more problematic because several years had elapsed since some of the earlier events (which also affected the team's access to USG, GPH, and implementing partner personnel). To mitigate recall bias, the team used activity information and timelines to verify respondent memories. The team mitigated response bias using systematic triangulation of interview and document sources and appropriate selection of diverse interviewees that encompassed activity organizers, participants, and third parties (e.g., beneficiaries, academics).

Findings and Conclusions

EQI Findings

As a first step in implementing PFG, a joint USG-GPH technical team conducted a CA to identify the key binding constraints to economic growth in the Philippines. This contrasts with previous USG approaches to development assistance in the Philippines, wherein USG officials and/or independent consultants undertook diagnostic studies, typically at the sector level, with limited or no involvement of the GPH. As a result, the strategic focus of PFG Philippines was geared towards addressing a narrower set of agreed assumptions about the Philippines' development needs. As part of this, the USG and GPH adopted the JCAP, a bilateral action plan that entailed greater GPH ownership of USG development assistance. GPH interviewees attested to stronger GPH buy-in for and greater GPH ownership of USG development assistance under PFG than under the previous approach.

Although USG development assistance to the Philippines in the sectors covered by PFG increased in absolute terms under PFG, it declined in relative terms compared to previous development assistance. Two-thirds of USG development assistance to the Philippines remained outside the PFG framework and not all USG agencies partnering in PFG actually provided development assistance to the Philippines under the PFG framework. Some of this was mitigated by the fact that PFG entailed greater use of "non-assistance" tools, such as enhanced USG diplomatic engagement with the GPH at various levels and debt conversion, which also helped advance joint USG-GPH initiatives under PFG.

PFG necessitated and achieved greater cooperation and communication between USG agencies providing development assistance to the Philippines – especially between USAID and supporting USG agencies. PFG also involved improvements to bilateral institutional arrangements for implementing the JCAP. A single grant agreement provided a legal basis for most PFG activities, rather than relying on separate agreements for each activity. Under the previous approach, a steering committee – and, in some cases, a technical working group – was usually set for each activity or sector. Under PFG, by contrast, the USG and GPH established a steering committee to provide policy direction and oversee progress in implementing the JCAP. Thanks to this, among other factors, PFG strengthened communication and cooperation between the USG and GPH, although the degree of improvement varied across agencies and activities.

While PFG entailed greater transparency and accountability than the previous approach, accountability was still limited by the lack of a comprehensive monitoring and evaluation (M&E) framework and an effective M&E unit, which was not fully incorporated into the initiative until early 2016.²

Ultimately, PFG benefitted from advantageous timing, which facilitated greater buy-in by USG and GPH champions than previous development activity. Key informants emphasized that PFG's rollout aligned with the agenda and actions of the Aquino administration, which had assumed power in 2010 and had

² The need for a comprehensive M&E plan was a finding of the PFG Philippines mid-term evaluation from February 2015.

already prioritized fighting corruption, improving governance, and fostering inclusive growth. The stance of GPH leadership under the Aquino administration was highly favorable towards the U.S. As a result, PFG had influential champions within the USG and the GPH, and was supported at the highest levels of both governments.

EQ1 Conclusions

The evaluation team concluded that PFG differed from the previous USG approach in the Philippines in several significant ways, including its strategic focus on economic growth, the joint CA process, the JCAP, formal institutional arrangements for implementing the JCAP, and greater use of “non-assistance” tools. PFG was a close partnership between the USG and GPH. It improved bilateral communication and cooperation between the two governments not only within the PFG framework but in several other areas of cooperation. PFG enhanced the GPH’s ownership of USG development assistance, demonstrating the potential benefits of recipient country ownership of aid effectiveness. PFG aligned with President Obama’s September 2010 Presidential Policy Directive on Global Development and generally conformed with the ownership ideals of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, the Busan Partnership Agreement, and the Nairobi Outcome Document, as well as with USAID Automated Directives System Chapter 201.

PFG also improved, to varying degrees, communication and cooperation between USG agencies involved in PFG, as well as between actors within USAID. Collaborative whole-of-government programs like PFG can be a useful tool to improve inter-agency communication as well as communication and collaboration with host-country governments.

While demonstrably useful, initiatives like PFG are unlikely to be game-changers in terms of development assistance in the Philippines. The environment in which development assistance is executed is politically complex, with many actors who each have their own agendas. PFG did not fully replace the previous USG approach to providing development assistance to the Philippines, but extensively complemented it by identifying, calling attention to, and addressing the most binding constraints to growth.

Because much USG economic aid to the Philippines remained outside the PFG framework, it may have limited PFG’s positive effects on GPH ownership of broader USG development assistance, on bilateral communication and cooperation between the USG and GPH, and on communication and collaboration among USG agencies providing economic aid to the Philippines. Nonetheless, PFG took place during an Agency-wide decline in USAID discretionary funding that the Philippines Mission was largely able to avoid thanks to its participation in PFG.

EQ2 Findings

In ascribing the influence of the PFG approach to outcomes from activities and objectives examined under EQ2, the evaluation team looked for: (1) results linked to PFG through verified data; (2) direct and indirect PFG influences on activity design and implementation that produced verifiable results in PFG outcome measures which could be linked to PFG through statistical inference; and (3) verified contribution to drafting and/or passage of successful GPH legislation or regulations, establishment or modification of relevant formal or informal institutions, and support and/or facilitation of international agreements between the GPH and other countries or multi-country bodies.

Interviewees and reporting documents indicated that PFG helped many of these activities achieve better development outcomes. In particular, PFG contributed to the larger constraints themes of (1) improving regulatory quality (particularly for trade), (2) strengthening rule-of-law and anti-corruption measures, (3) improving fiscal performance, and (4) expanding the Philippines’ human capacity. However, certain

weaknesses of PFG constrained its positive effects on activity development outcomes, including the limited availability of funds for PFG.

International rankings suggest that overall the GPH made mixed progress in strengthening its capacity between 2011 and 2018. A variety of activity-related results positively contributed to several factors within those rankings and assisted the GPH in improving its capacity to formulate and implement competition policy. The Trade-Related Assistance for Development activity helped the GPH enhance its capacity for trade policy formulation, trade negotiations, and trade facilitation. The Strengthening Urban Resilience for Growth with Equity activity helped three Philippine city governments enhance their capacity for business and land registration. The Scaling Innovations in Mobile Money and E-PESO activities further assisted in this area as they supported the GPH in developing a national retail payment system and adopting e-payments in providing public services. Anti-corruption saw improvements through the Judicial Strengthening Through Increased Court Efficiency activity and the Integrity for Investments Initiative. The former helped the GPH increase the efficiency and effectiveness of trial courts and enhanced its capacity for contract enforcement, alternative dispute resolution, and protection of intellectual property rights, while the latter helped the GPH strengthen the capacity of its anti-corruption agencies and the Securities and Exchange Commission. The Revenue Administration Reform Project helped achieve significant increases in collections of VAT audit while the Fiscal Policy Improvement activity supported an expanded system of electronic filing of tax returns. According to interviewees, many of these PFG-assisted improvements in GPH capacity are likely to be sustained.

EQ2 Conclusions

Based on the extensive and far-reaching influence of PFG's combined efforts, the evaluation team concluded that PFG's bilateral collaborative nature helped align development programs with host-country needs and ensure better development outcomes. Data suggested that PFG made the design of activities in its portfolio more closely align with GPH priorities, and the activities in the sample helped promote inclusive economic growth in the Philippines. Although the design of some activities was not fully aligned with the JCAP's focus areas and objectives, PFG was an important factor in facilitating GPH approval and implementation of PFG activities and making them more responsive to GPH needs.

PFG helped many activities in its portfolio achieve better development outcomes, and PFG implementing mechanisms largely appear to have achieved what they set out to do (per their individual activity-level performance monitoring plans). However, the Partnership could potentially have had a greater positive effect on those activities' development outcomes if more funds had been available for PFG and if the JCAP's overall implementation had been monitored at the initiative level. Furthermore, recognizing that PFG's central objective was to address binding constraints to growth, in the long term the Partnership would have benefitted from greater focus on GPH capacity building and sustainability at the activity design and implementation stages.

EQ3 Findings

To answer EQ3, the evaluation team needed to determine if (1) the CA process had been executed correctly, (2) the CA was fully incorporated into the bilateral PFG process, (3) the identified constraints assisted with the selection of PFG activities in the Philippines, and (4) whether the CA was a useful component of PFG's development approach. Based on the available data, the PFG CA was executed in a systematic, rigorous, and evidence-based fashion, and was incorporated into the PFG process. This included holding CA-informed consultations on JCAP priorities with diverse USG and GPH stakeholders, and ultimately the CA helped determine the choice of the JCAP focus areas.

Stakeholders regarded the CA as useful to PFG, but the CA may have been too narrow given PFG's ultimate goal. Although PFG's goal was to help the Philippines move to a higher, more sustained, and

more inclusive growth trajectory, the CA focused only on constraints to private investment and entrepreneurship and not on constraints to the inclusiveness of growth. The JCAP was intended to be flexible and should have undergone review to assess the need for course correction and adjustment but it did not, in part because revisions would have required high-level approval that could be difficult to obtain.

EQ3 Conclusions

A well-designed, properly conducted, and up-to-date CA was needed to lay the groundwork for PFG. The CA that was done for PFG was conducted properly, but its scope was too narrow given PFG's overall goal. One result of the narrow scope was that the JCAP focus areas were not all selected properly; a number of sectors and thematic areas that were essential to the inclusiveness, sustainability, and resilience of growth were not included or were only partially included in the JCAP.

Implicit assumptions related to the CA should have been revisited above the activity level. In particular, aspects of PFG that were perceived to be relatively gender neutral for the purposes of the CA and the subsequent JCAP were not subject to reconsideration or confirmation over time. Similarly, economic transformations in the Philippines should have prompted a review or reconsideration to confirm the relevance of the binding constraints the CA identified, relative to the Philippines' transforming economy.

Recommendations

Although PFG is no longer being carried out in its initial form, it provides several useful lessons for the USG approach to development, particularly in the Philippines. To make the most of the lessons learned from the PFG approach, the evaluation team recommends that several aspects of the PFG approach be incorporated into the broader USG development practice.

Every five to six years, the USG should conduct – in close collaboration with the GPH – a joint diagnostic study or studies to identify the areas in which the GPH's development priorities and the USG's priorities in providing development assistance overlap.

In the future, the USG should look for opportunities in partner countries to bilaterally develop joint action plans to pursue, in partnership, their overlapping priorities. The focus areas of the joint action plan should be based on the joint diagnostic study (or studies), fully align with GPH development priorities, take into account the USG's comparative strengths and assistance provided by other development partners, and be sufficiently broad to cover as much USG development assistance as possible.

The USG should also jointly establish with the partner country (1) an adequately funded and staffed secretariat to implement the joint action plan and (2) a steering committee that consists of senior officials of the relevant partner country agencies and senior representatives of the relevant USG agencies that oversees implementation of the joint action plan.³ Also, the USG should have the joint action plan approved at a level that makes it easier to modify or update as needed, or build in a mechanism that makes it possible to modify or amend individual sections without convening at the highest levels.

³ The steering committee was constituted at the undersecretary level on the GPH side and at the agency head level on the USG side. In one steering committee meeting, GPH participation was elevated to the secretary level.

INTRODUCTION

This report presents the findings, conclusions, and recommendations from a final performance evaluation of the Partnership for Growth (PFG) in the Philippines. The United States Government (USG) commissioned the United States Agency for International Development's (USAID's) E3 Analytics and Evaluation Project⁴ to design and implement the evaluation. Annex A provides USAID's statement of work (SOW) for the evaluation.

The first section of this report describes the purpose of the evaluation, reviews its intended audiences and uses, and presents the evaluation questions. The second section provides background information about PFG in general and in the Philippines. The third section explains the methodology of this evaluation and its limitations. The fourth section presents findings and conclusions for each of the three evaluation questions (EQs). The last section provides recommendations based on those findings and conclusions.

EVALUATION PURPOSE AND QUESTIONS

Purpose and Intended Uses

With the conclusion of PFG in the Philippines,⁵ the USG commissioned this final evaluation to ensure that valuable experiences and lessons learned from PFG implementation can be utilized in future development efforts and in wider applications. The evaluation intended to capture whether and how PFG Philippines' application of the constraints analysis (CA), bilateral engagement, and other non-traditional tools influenced the bilateral relationship between the USG and the government of the Philippines (GPH) and USG development outcomes in the Philippines. The evaluation also satisfied accountability requirements by producing findings and conclusions about the effectiveness of PFG programming in meeting intended country-specific goals. Lastly, the evaluation may provide relevant findings and lessons learned for the Agency's current focus on the Journey to Self-Reliance. This included perspectives on how the PFG approach contributed to long-term or sustainable changes to GPH institutions and capabilities, particularly when those changes suggest a strengthened capacity for self-reliance.

Evaluation Questions

Following feedback from USAID on results of final evaluations on PFG in El Salvador and Ghana, and discussions between the evaluation team and USAID staff during the team's August 2018 scoping trip to the Philippines, USAID approved revisions to the EQs from the original SOW included in Annex A. The

⁴ Management Systems International (MSI) implements the E3 Analytics and Evaluation Project in partnership with Development and Training Services (dTS, a Palladium company) and NORC at the University of Chicago. Since dTS is now part of Palladium, which was involved in the implementation of some PFG activities, it recused itself from activities under the PFG final evaluation.

⁵ Following the May 2016 presidential election in the Philippines, the Duterte administration chose to retain the PFG in a revised form known as Partnership for Growth with Equity. This retained some aspects of the PFG but significantly modified or replaced others. Although a limited number of associated programs overlap both manifestations, based on recommendations from USAID this evaluation only focused on PFG during 2011-2016.

EQs were revised to better focus and prioritize data collection activities for this evaluation.⁶ These revised EQs are:

1. In what ways did the PFG approach – as implemented in the Philippines – differ from the previous USG approach to development in the Philippines, and how was that difference reflected in:
 - a. Bilateral cooperation and communication between the USG and the GPH?
 - b. Cooperation and communication between and within the USG agencies active under the PFG framework?
2. How did the PFG approach influence the design, implementation, and development outcomes of the USG and GPH projects in the PFG portfolio?
 - a. How useful was the PFG in strengthening GPH capacity?
3. How appropriate and useful was the constraints analysis for the overall PFG approach?
 - a. Were the constraints analysis and the selection of constraint themes for the PFG made properly?

The evaluation team was particularly interested in the ways in which PFG caused or contributed to increased GPH capacity. This is, in part, because the evaluation may provide relevant findings and lessons learned for the Agency's current focus on the Journey to Self-Reliance. This includes perspectives on how the PFG approach contributed to long-term or sustainable changes to GPH institutions and capabilities, particularly when those changes suggest a strengthened capacity for self-reliance.

PFG BACKGROUND

PFG is a bilateral partnership between the U.S. and a select group of countries to accelerate and sustain broad-based economic growth as set out in the September 2010 Presidential Policy Directive on Global Development.⁷ PFG was based on a shared commitment to implementing key institutional and regulatory reforms required for unleashing private investment. PFG sought to leverage USG resources in support of a shared development program delivering accelerated, sustained, and broad-based economic growth in four partner countries: El Salvador, Ghana, Tanzania, and the Philippines. PFG involved rigorous joint analysis to identify binding constraints to growth, the bilateral establishment of objectives to address these constraints through a Joint Country Action Plan (JCAP), and high-level mutual accountability for implementation through regular stakeholder committees and reporting scorecards. On the USG side, PFG was intended to employ a whole-of-government approach that included USG agencies such as USAID, the U.S. Department of State (DOS), the Millennium Challenge Corporation (MCC), and the U.S. Department of Justice (DOJ). On the GPH side, equivalent and partner GPH agencies also participated in PFG, along with a limited number of non-governmental organizations, private sector institutions, and related agencies from other governments.

In November 2011, the GPH and USG signed a commitment to undertake PFG. This was demonstrated through a JCAP that had a period of performance from 2012 through 2016. The JCAP provided an implementation strategy based on findings from an analysis and definition of the two main binding constraints to growth in the Philippines: weak governance and narrow fiscal space. These were further

⁶ The Evaluation Design Proposal submitted to USAID on February 13, 2019 provide further details and justification for the changes to the EQs.

⁷ The directive, which eventually led to PFG Philippines, mandated the USG to elevate sustainable, broad-based economic growth as a primary objective of USG development efforts; partner more deeply with good performing countries that have demonstrated leadership and commitment to their own development progress; and ensure that development progress be led and driven by the leadership and citizens of the countries with whom the U.S. partners.

grouped into collaborative and complementary initiatives aimed at (1) improving regulatory quality, (2) strengthening the rule of law and anti-corruption measures, and (3) improving fiscal performance. Subsequent planning and implementation documents and activities incorporated human capital (as it related to both health and education) as equally integral to efforts toward sustainable and inclusive economic growth.

A steering committee and four technical subcommittees of GPH and USG representatives were constituted to coordinate and ensure coherence and accountability across the broad range of activities under the PFG umbrella. The subcommittees were organized based on the four thematic areas of intervention: improving regulatory quality, strengthening rule of law and anti-corruption enforcement, widening fiscal space, and promoting human capital development.

EVALUATION METHODS AND LIMITATIONS

Methods

The evaluation team used a non-experimental mixed-methods approach to answer the EQs. This included an extensive document review, key informant interviews (KIIs), and a review of contextual secondary data. This section describes the data sources, data collection, and data analysis methods the team used to address the EQs. Annex B provides a “Getting to Answers” matrix summarizing the methodology it used to answer each EQ. Annex C includes the instruments the team used to conduct the KIIs.

Document Review

The evaluation team reviewed more than 100 PFG-relevant documents acquired from PFG stakeholders, USG and GPH websites, and other PFG monitoring and evaluation (M&E) activities. The team used this document review to better understand PFG activity goals and achievements and to inform contextual understanding of PFG. This contextualization also looked at other factors outside of or concurrent to PFG activities that could shed light on the pursuit and achievement of PFG objectives (e.g., data from the Global Innovation Index, the Worldwide Governance Indicators, and the Global Competitive Index). Analysis of performance data found in other monitoring and reporting documents, including three PFG-specific “scorecards,”⁸ provided quantitative and qualitative understanding of what has happened to date and framed the qualitative research that established how and why those results took place. Annex D provides a full list of the documents reviewed for the evaluation.

Although the evaluation drew from more than 100 documents, one in particular played an outsized role. The “PFG Performance Review Nov 2011 – June 2016, Volume I,”⁹ produced by the UPecon Foundation, takes stock of activities organized under PFG from its inception in 2011 until the change in GPH leadership in mid-2016. This report focuses on the extent to which PFG goals were achieved and the contribution of these activities to observed outcomes. The document was invaluable for the design and execution of this PFG final evaluation, as it establishes a near-comprehensive record of PFG activities and outcomes, along with an overall timeline. Although the report itself was never the

⁸ In its initial conception, a foundational element of PFG was a twice-yearly scorecard that provided concrete metrics on progress toward country-specific goals. For reasons outlined later in this report, only three PFG Philippines scorecards were produced during its lifetime.

⁹ See: https://pdf.usaid.gov/pdf_docs/PA00TNG9.pdf.

exclusive source for activity information, the team regularly used it as the first step for document review thanks to the consolidated information that it held.

KIIs

Because this evaluation's primary intent was to understand the larger PFG framework, rather than to evaluate all its constituent activities, the evaluation team used a purposive approach to narrow the pool of potential PFG activities for review, then identified specific categories of informants to be interviewed.

PFG included 27 specific activities¹⁰ under the identified binding constraints. As the evaluation did not have the resources to examine all 27 activities in detail, the team attempted to capture 10-12 activities,¹¹ based on the number of KIIs possible within the evaluation period and the number needed per activity. Although PFG was conceived as a whole-of-government approach, in practice USAID activities accounted for most of the PFG portfolio. To ensure diversity of USG perspectives, the evaluation team prioritized KIIs with stakeholders from non-USAID activities and PFG flagship activities (which were almost entirely under the purview of USAID). PFG interviewee selection beyond those two categories was based on a combination of snowball sampling using PFG informant recommendations and convenience sampling depending on informant availability. Table I breaks down the activities and stakeholder types included in the evaluation.

TABLE I: PFG ACTIVITIES AND INTERVIEWEE TYPES

PFG Activity Name	Interviewee Type		
	USG Rep	GPH Partner	Implementer
Regulatory Quality			
Advancing Philippine Competitiveness (COMPETE)	Yes	Yes	Yes
Trade-Related Assistance for Development (TRADE)	Yes	Yes	Yes
Strengthening Urban Resilience for Growth with Equity (SURGE)	Yes		Yes
E-PESO and Scaling Innovations in Mobile Money (SIMM)	Yes	Yes	Yes
The Arangkada Philippines Project (TAPP)			Yes
USDOS-Technical Assistance (TA)	Yes		
Federal Trade Commission TA	Yes		
Investment Enabling Environment			Yes
Rule of Law and Anti-Corruption			
Judicial Strengthening Through Increased Court Efficiency (JUSTICE)	Yes	Yes	Yes
Integrity for Investments Initiative (i3)	Yes	Yes	
Fiscal Space			
Facilitating Public Investment (FPI)	Yes		Yes
MCC Compact Revenue Administration Reform	Yes	Yes	Yes
Human Capital Development			
Science, Technology, Research and Innovation for Development (STRIDE)	Yes	Yes	Yes
Health Policy and Development 2	Yes		Yes
Higher Education and Productivity	Yes		
Other Activities			
Phil-Am Fund			Yes

¹⁰ There are also seven "enhancing activities" referenced in the PFG Performance Review as part of the PFG Philippines portfolio that do not fit neatly within these four constraints themes.

¹¹ Some activities address multiple goals.

For individual PFG activities, interviewees fell into three stakeholder categories: USG representatives (e.g., contracting/agreement officer's representatives for the activities under review); activity implementing partner staff (usually the chief or deputy chief of party); and the respective GPH points of contact for the various activities. Additionally, the evaluation team met with other senior USG and GPH architects and implementers who were closely involved in the higher-level development and implementation of PFG in the Philippines. Between February 18 and March 15, 2019,¹² the team conducted KIs and also used KI data collected during the evaluation scoping trip from August 2-10, 2018, as well as select interview notes from KIs held with two original architects of the overall PFG concept during the final evaluation of PFG in El Salvador. Ultimately, the team conducted 39 interviews with more than 45 individuals. Annex E provides a complete list of interviewees.

Data Analysis

The evaluation team used content analysis to extract patterns from document data and responses to open-ended questions, and framework analysis with triangulation as the primary data analysis tool. This included the development of a framework matrix that formulated fundamental lines of inquiry that needed to be pursued to answer the EQs. Those lines of inquiry served as table rows, while each of the individual research documents and interview notes were given a distinct column.

To identify themes and trends relevant to each EQ, and to better understand the meaning of and context in which the statements were made, the team used relevant quotations and excerpts from data and documents to populate rows corresponding to the appropriate lines of inquiry. The end result was an extensive table of findings that could be clearly understood within the context of equivalent information from all other documents, and their respective relation to the EQs. With the matrix fully populated, the team was able to identify trends, diverging and converging perspectives, and data gaps, all of which it used in drafting this report.

Team Composition

Dr. Bahodir Ganiev led the evaluation. Dr. Ganiev is an economist and international development expert specializing in economic growth, trade policy, trade facilitation, private sector development, and regional economic cooperation and integration. He has more than 20 years of experience conducting analysis and evaluation for economic development programs across Central, South, and Southeast Asia.

Two Manila-based research professionals, Anne Leslie Santos Garcia and Maria Lourdes Lopez, supported data collection. Ms. Garcia has more than a decade of M&E experience in the Philippines across sectors including governance, energy, disaster risk reduction, and education. Mrs. Lopez has more than 10 years of development experience with the Asian Development Bank and the Philippines' National Economic and Development Authority (NEDA).

Isaac Morrison, an MSI evaluation specialist with nearly 10 years of M&E experience, served as the evaluation coordinator. He assisted with the design and implementation of the evaluation, participated in data collection in Manila, and led supplemental data collection activities in Washington, DC.

¹² The team conducted primary fieldwork in the metro Manila area between February 18 and March 1, 2019. Team members conducted additional interviews by phone or in Washington, DC between March 4 and March 15.

The E3 Analytics and Evaluation Project home office team supported the evaluation team including administrative assistance and quality assurance. The evaluation team members signed USAID's conflict of interest disclosure statement, which are retained by MSI and available upon request.

Limitations

Implementation of the evaluation faced several limitations and challenges. These included limited causality inference, sampling and cognitive biases, and ongoing contextual changes on the ground.

While EQ2 asks about PFG's effects on the design, implementation, and outcome of its activities, the evaluation did not use an experimental or quasi-experimental design that could rigorously determine causal inference. While other methods enabled the team to examine the contribution of PFG inputs to observed outcomes, the lack of a rigorously defined counterfactual for identified outcomes can limit the level of confidence in the results.

Sample Selection Bias

Results from this evaluation are bound by and reflect the sample. Bias is likely to be small, as the activities selected for review vary widely by sector, size, USG funding agency, and location. Nonetheless, it is possible that one or more of the activities excluded from the evaluation represent a substantial outlier or divergent set of results. Nonetheless, based on the document review that extended beyond the 16 partially or fully reviewed activities covered in this report, the evaluation team is confident that any divergence from the common trends observed within the sample is small.

Recall Bias

The time between the end of the Aquino administration and the evaluation data collection presents a risk of recall bias, as memories can be incomplete or even misleading, particularly with the passage of time. The team did its best to reinforce and facilitate participants' recollection of PFG's performance through the incorporation of verified activity information and timelines drawn from activity documents and older interview data. The team also supplemented qualitative accounts with contextual secondary data from relevant sectors.

Response Bias

In addition to memory challenges, interviewees may deliberately or inadvertently provide socially desirable answers. This can inflate favorable responses and skew findings toward more positive outcomes, thereby diluting negative experiences and views. The team attempted to mitigate the validity and reliability of findings drawn from KIs using systematic triangulation of interview and document sources. It also selected a diverse range of interview participants with a variety of interests. These included USG representatives, GPH officials, and implementing partner/contractor staff. This approach hopefully reduced the potential for bias across the research.

Contextual Changes

PFG concluded in 2016, when the Philippines underwent a political transition following the June 2016 presidential election. This transition affected the availability of key informants, several of whom were no longer directly affiliated with their respective former ministries/institutions. It also affected the level of knowledge and understanding available to their replacements. Additionally, the time elapsed between 2016 and the 2018-19 data collection activities meant that many USG personnel and implementing organizations moved on to other posts in the intervening period. The evaluation team mitigated this challenge by using the professional networks of its subject matter experts to locate former GPH officials

and USG staff, and relying on shared contact information from known colleagues of those officials where necessary. Thanks to the assistance of USG and GPH representatives, the team is confident it identified and located appropriately knowledgeable informants in almost every case. For several implementers and USG staff, the team conducted some interviews by phone or videoconference; these stakeholders were encouragingly accommodating across the board.

FINDINGS AND CONCLUSIONS

EQ I: In what ways did the PFG approach – as implemented in the Philippines – differ from the previous USG approach to development in the Philippines, and how was that difference reflected in:¹³

EQ Ia: Bilateral cooperation and communication between the USG and the GPH?

EQ Ib: Cooperation and communication between and within the USG agencies active under the PFG framework?

DEFINING THE “PFG APPROACH”

As EQs 1 and 2 reference the “PFG approach,” it is important to define that term. The PFG approach was the unique combination of overarching principles laid out in high-level PFG documentation. These principles were intended to improve coordination, leverage private investment, focus political commitment throughout both governments, and achieve better development results.¹⁴ At the operational level, improved coordination and partnership were intended to be achieved through a whole-of-government approach.¹⁵ The core principles of the PFG approach included:¹⁶

- Rigorous, evidence-based joint analysis on constraints to economic growth conducted by integrated teams of USG and GPH officials;
- High-level political leadership and commitment to development progress;
- Joint decision-making on where to focus and prioritize resources;
- Country ownership and partnership;
- Use of a range of tools, including catalytic policy change, institutional reform, aid, diplomatic engagement, and other “non-assistance” policy tools; and
- Transparency, mutual accountability, and fact-based monitoring and evaluation.

Findings for EQ I are loosely broken down under six subheadings based on the six principles above. However, many individual findings have relevance to more than one principle.

EQ I Findings

This section presents an overview of the ways in which the application of PFG’s core principles (outlined in the Defining the PFG Approach section of this report) produced a USG approach to development in

¹³ The phrase “USG approach to development in the Philippines” in EQ I is understood to refer to the USG approach to providing development assistance to the Philippines.

¹⁴ See <https://www.usaid.gov/news-information/fact-sheets/partnership-growth>.

¹⁵ See <https://www.usaid.gov/philippines/partnership-growth-pfg>.

¹⁶ See <https://www.usaid.gov/news-information/fact-sheets/partnership-growth>.

the Philippines that clearly differed from the previous USG approach. The premise of EQ1a and EQ1b is that the principles and processes that were integral to the PFG approach were aimed at improving the coordination and outcomes of multiagency development work in the Philippines. Hence, the evaluation team examined how PFG contributed to changing bilateral cooperation and communication between and within USG and GPH agencies and implementing partners operating in the Philippines in the constraint areas under examination.

Rigorous, Evidence-Based Joint Analysis on Constraints to Economic Growth

Finding 1.1: As a first step in PFG’s implementation, a joint USG-GPH technical team conducted a CA to identify the binding constraints to economic growth in the Philippines. Under the previous USG approach to providing development assistance to the Philippines, USG officials and/or independent consultants undertook diagnostic studies, typically at the sector level, with limited or no GPH involvement. The sector-specific nature of these diagnostic studies may have limited opportunities for higher-level cross-project compatibility, and no overall growth diagnostic was traditionally conducted.¹⁷

The 2011 technical team that carried out the CA for PFG consisted of USAID/Washington, USAID/Philippines, and MCC staff led by a former high-ranking GPH official, all working in close consultation with the GPH.¹⁸ The USG prepared the SOW for the CA, which the GPH then reviewed and cleared.

The purpose of the CA was to identify the most important factors inhibiting Philippine economic growth and to help focus PFG on appropriate activities to ease those binding constraints and stimulate economic growth (Joint USG-GPH Technical Team 2011). The CA found that weak governance and reduced fiscal space were the most important factors inhibiting growth in the Philippines. It also concluded that human capital did not, on balance, appear to be a binding constraint to growth for the country, but it was a critical constraint to growth for some emerging industries in the services sector (Joint USG-GPH Technical Team 2011). Some within the USG recognized human capital as having the potential to become a more serious binding constraint in the future.

Finding 1.2: The strategic focus of PFG Philippines was different from that of the previous USG approach to providing development assistance to the Philippines.¹⁹ PFG’s overall goal was to assist the Philippines’ move from a low-growth path to a higher, sustained, and more inclusive growth trajectory in line with other high-performing emerging economies (USG and GPH 2011). Accordingly, the geographic coverage of USG assistance under PFG was broad and balanced, despite its narrower thematic and strategic focus. This wide coverage contrasts with the previous USG approach to development in the Philippines, which had multiple goals, with priority given to enhancing security. In particular, the USG Country Assistance Strategy for the Philippines for 2009-2013 had four goals:

1. Accelerating growth through improved competitiveness;
2. Strengthening governance, rule of law, and the fight against corruption;
3. Investing in people to reduce poverty; and
4. Promoting a peaceful and secure Philippines.

¹⁷ The MCC’s Compact Development Guidance stipulates that, after an eligible country is selected by the MCC Board of Directors to develop an MCC compact, the country should undertake a CA. However, when developing the MCC’s first compact with the Philippines during 2009-2010, the MCC and the GPH utilized the Asian Development Bank’s (ADB’s) 2007 country diagnostic study on the Philippines. The MCC and the GPH did not undertake their own CA.

¹⁸ He was also involved in the ADB’s 2007 country diagnostic study on the Philippines, which focused on constraints to economic growth and poverty reduction (ADB, 2007).

¹⁹ Here and in the rest of the report, “PFG” refers to PFG Philippines, unless otherwise indicated.

Under this strategy, USG development assistance to the Philippines was intended to directly support U.S. foreign policy priorities, particularly the promotion of stability and security in the Philippines and the rest of Southeast Asia. The USG focused its economic aid to the Philippines on the country's southern region of Mindanao because (1) Mindanao is one of the country's least developed regions and (2) threats to security in Mindanao have significant adverse effects on security not only in the Philippines, but also in the rest of Southeast Asia (USG 2009). Prior to PFG, Mindanao accounted for nearly 60 percent of the USAID/Philippines budget (USAID 2013), but this changed significantly as PFG took effect. However, according to a senior USG official, only a small proportion of that development assistance specifically targeted the areas of Mindanao most affected by conflict.

Finding 1.3: Under PFG, USG development assistance to the Philippines in the sectors covered by PFG increased in absolute terms but declined in relative terms compared to previous development assistance. USG officials pointed out that PFG was an unfunded initiative in the sense that there were no funds earmarked “for PFG.” However, at the beginning of PFG, USAID leadership, in consultation with the U.S. Departments of State and Defense, focused the previously Mindanao-heavy USAID budget to more precisely target only the most severely conflict-affected areas of Mindanao. This meant a net increase for those specific areas, but also a decrease in overall funding directed at Mindanao. This freed up a significant amount of potential funding that was previously restricted to Mindanao-specific activities. USAID was also able to redirect more non-earmarked funds for PFG activities, and other USG agencies (e.g., U.S. Department of the Treasury) were able to mobilize additional funds for assistance to the Philippines under PFG. As a result, total USG economic aid (excluding direct administrative costs) to the Philippines in the sectors covered by PFG rose from \$312.3 million in 2007-2016 to \$408.4 million in 2012-2016 (Table 2). However, USG assistance in these sectors increased less than its economic aid to the Philippines in other sectors. Accordingly, the share of PFG sectors in total USG economic aid declined in 2012-2016 compared with 2007-2011.²⁰ Given PFG's ambitious goal and high expectations, some stakeholders were surprised and disappointed to learn that the availability of funds for PFG was quite limited. Nonetheless, there was a progressive USAID-wide decline in funding for the program areas corresponding to PFG, which largely fell under discretionary funding. Indeed, the fact that the USG was able to fund the activities in the PFG portfolio and help protect those funds for the Philippines was considered particularly significant by some in the Philippines Mission.

²⁰ The disbursement of USG economic aid to the Philippines in the PFG sectors increased in absolute terms but declined in relative terms even if only aid channeled through USAID is considered.

TABLE 2: DISBURSEMENT OF USG ECONOMIC AID TO THE PHILIPPINES EXCLUDING DIRECT ADMINISTRATIVE COSTS, IN MILLIONS OF U.S. DOLLARS (AND PERCENTAGE)

PFG Sectors	2007-2011	2012-2016
	312.3 (49.7%)	408.4 (35.3%)
Macroeconomic Foundation for Growth	3.5 (0.6%)	13.6 (1.2%)
Financial Sector	0.9 (0.1%)	1.3 (0.1%)
Trade and Investment	9.9 (1.6%)	8.8 (0.8%)
Private Sector Competitiveness	42.0 (6.7%)	22.3 (1.9%)
Economic Opportunity	12.0 (1.9%)	6.7 (0.6%)
Good Governance	33.9 (5.4%)	54.0 (4.7%)
Rule of Law and Human Rights	20.1 (3.2%)	31.9 (2.8%)
Basic Education	65.5 (10.4%)	64.9 (5.6%)
Higher Education	0.1 (0.0%)	19.9 (1.7%)
Health Care	124.4 (19.8%)	185.1 (16.0%)
Other Sectors*	364.6 (58.0%)	857.1 (74.1%)
Total*	628.5 (100%)	1155.9 (100%)

* These include agriculture; civil society; clean productive environment; combatting weapons of mass destruction; conflict mitigation and reconciliation; counter-narcotics; counter-terrorism; democracy, human rights, and governance – general; disaster readiness; environment - general; humanitarian assistance – general; infrastructure; labor policies and markets; manufacturing; mining and natural resources; M&E; multi-sector - unspecified; natural resources and biodiversity; peace and security – general; policies, regulations, and systems; political competition and consensus-building; protection, assistance, and solutions; social assistance; social services; stabilization operations and security sector reform; and transnational crime.

Source: USAID Foreign Aid Explorer database.

Finding 1.4. Two-thirds of USG development assistance to the Philippines remained outside the PFG framework and not all the USG agencies participating in PFG were able to provide assistance to the Philippines under the PFG framework. A review of budget data reveals that approximately two-thirds of USG economic aid to the Philippines during 2011-2016 was outside the sectors covered by PFG (Table 2). Although USAID was a USG champion of PFG, its Country Development Cooperation Strategy for the Philippines for 2013-2018, approved in 2013, was only partially aligned with PFG and more than two-fifths of its assistance to the Philippines went to sectors not covered by PFG. Only one of the three components of the MCC compact with the Philippines, which entered into force in 2011, was included in the PFG portfolio. The component accounted for 8.5 percent of the total amount of the compact (excluding administrative costs). Although the U.S. Departments of Energy, and Homeland Security, and the U.S. Trade and Development Agency, provided assistance to the Philippines during 2002-2016, their assistance did not fall under the PFG umbrella. The U.S. Department of Commerce, Food and Drug Administration, and Overseas Private Investment Corporation did not give assistance to the Philippines in 2012-2016 as these agencies do not have foreign assistance funds.

Increased Country Ownership and Partnership

Finding 1.5: Under PFG, the USG and GPH adopted a bilateral action plan (the 2012-2016 JCAP) to alleviate the binding constraints to growth identified in the CA. The USG and GPH jointly prepared the JCAP and, in November 2011, the U.S. Secretary of State and Philippines Secretary of Foreign Affairs endorsed the JCAP on behalf of their governments by signing a Joint Statement of Principles. To alleviate the two binding constraints to growth identified in the CA, the JCAP focused on three interrelated thematic areas of development intervention: (1) regulatory quality, (2) rule of law and anti-corruption, and (3) fiscal performance (USG and GPH 2011). For each thematic area, the JCAP

specified the objectives PFG would pursue and the reforms it would support. In this fashion, the JCAP was “demand-driven” and fully aligned with GPH development priorities.

This contrasts with the previous USG approach to providing development assistance to the Philippines, which did not prescribe the same scale or degree of structured engagement as PFG. Although USG documents like the Country Assistance Strategy for the Philippines for 2009-2013 require assessment and consultations with the GPH and other stakeholders, and take Philippine development challenges and priorities into account, USG development assistance to the Philippines under the previous approach was largely “supply-driven” and not fully aligned with GPH development priorities.

Finding 1.6: PFG entailed greater GPH ownership of USG development assistance to the Philippines. GPH and USG interviewees attested to stronger GPH buy-in for and greater GPH ownership of USG development assistance to the Philippines under PFG than was previously the case. Reportedly, the principal reason for this was that USG development assistance under PFG was based on the JCAP, which, in turn, was based on the joint CA and fully aligned with GPH priorities. As some interviewees pointed out, the joint CA ensured GPH buy-in to the underlying focus of USG development planning, and the JCAP gave the GPH the sense of ownership of USG development assistance under PFG. It was the first time USG development assistance to the Philippines was based on a joint USG-GPH diagnostic study and the USG agreed with the GPH on priorities for its development assistance. In the words of one former GPH official and PFG steering committee member, “it was not like the USG was imposing its will on the GPH, and that made a lot of difference.” By contrast, under the previous approach, the USG established priorities for its development assistance to the Philippines in a manner that GPH interviewees broadly perceived as unilateral.

High-Level Political Leadership and Commitment to Development Progress

Finding 1.7: The advantageous timing of PFG in the Philippines facilitated greater buy-in by USG and GPH champions than previous development activities. Interviewees emphasized PFG’s timeliness, as the Aquino administration that assumed power in 2010 had also placed fighting corruption, improving governance, and fostering inclusive growth among its top priorities. Furthermore, GPH leadership under the Aquino administration was highly favorable toward the U.S., interested in joining the Trans-Pacific Partnership, and “predisposed to work” with the USG for several reasons. As a result, PFG had influential champions within the USG and GPH and was supported at the highest levels of each government. PFG champions included the National Security Council, DOS, USAID/Washington, and USAID/Philippines on the USG side, and the Department of Finance and the Department of Trade and Industry (DTI) on the GPH side.

Because of PFG’s timeliness and influential champions within both governments, the CA and the JCAP were both completed within a relatively short period (i.e., less than a year). The two governments’ commitment to PFG remained strong during the first several years of its implementation, but later diminished due, in part, to personnel changes within USG and the decreasing ability of senior USG officials to allocate adequate time to PFG.

Finding 1.8: PFG involved bilateral institutional arrangements for the implementation of the JCAP. Under the previous approach, a steering committee and, in some cases, a technical working group was usually set for each project or sector. Under PFG, the USG and GPH established a steering committee to provide policy direction and oversee overall progress in the JCAP’s implementation (USG and GPH 2011). Additionally, four technical subcommittees (TSCs), also referred to as technical working groups (TWGs), were formed. Three TSCs were set up initially – one for each of the three JCAP focus areas. Subsequently, a fourth TSC on human capital development was established.²¹ The steering

²¹ The TSC on human capital development was initially called the TSC on Cross-Cutting Projects and Non-Assistance.

committee and TSCs consisted of representatives of relevant USG and GPH agencies. The TSCs' functions included providing advisory support in pursuit of PFG goals and objectives; coordinating with implementing agencies and entities involved in PFG activities; and resolving implementation issues and other institutional bottlenecks (USG and GPH 2011). Consequently, most individual USG-funded activities included in the PFG portfolio did not have activity- or sector-specific steering committees and/or TWGs.

These accountability practices did face some challenges in their application, however. Initially, the steering committee was to meet every six months and the TSCs were to meet every three months. In practice, they met far less frequently. The steering committee did not meet in 2014 and no TWGs met in 2015 (Table 3). Furthermore, the TSC on human capital development was created in August 2013 but did not meet until February 2016.

TABLE 3: NUMBER OF MEETINGS OF PFG STEERING COMMITTEE AND TSCS, 2012-2016

Entity	2012	2013	2014	2015	2016	Total
Steering Committee	2	1	0	1	1	5
TWG on Regulatory Quality	2	1	2*	0	1	6
TWG on Rule of Law and Anti-Corruption	1	1	1*	0	2	5
TWG on Fiscal Space	1	1	1*	0	1	4
TWG on Human Capital Development	0	0	0	0	1	1

* Includes the joint meeting of all TSCs that was held in February 2014.

Source: Evaluation team's calculations based on information provided by USAID/Philippines.

Interviews with stakeholders and a review of the minutes of steering committee and TSC meetings suggest several reasons why the steering committee and TSCs did not meet as frequently as originally envisaged. First, GPH officials – especially senior GPH officials – were often unavailable to attend a meeting of the steering committee or a TWG. Second, PFG lacked a secretariat until 2016. Third, the number of activities under each TSC and the GPH membership of the TSCs included many GPH agencies, which interviewees cited as an impediment to both scheduling and conducting productive TSC meetings. USG agencies and contractors found it easier to reach agreement with the GPH on the design of USG-supported activities and resolve issues in their implementation through direct consultations with relevant individual GPH agencies, rather than during PFG TSCs. Fourth, some GPH officials were not comfortable serving on a committee chaired by a senior official of another GPH agency. Notably, Supreme Court officials were uncomfortable with the GPH executive branch being involved – through the TSC on Rule of Law and Anti-Corruption – in decision-making on USG TA to the judiciary.²² Finally, GPH officials' interest in PFG diminished as they realized that a substantial proportion of USG economic aid to the Philippines remained outside the PFG framework.²³

Use of a Range of Tools, Including Catalytic Policy Change, Institutional Reform, Aid, Diplomatic Engagement, and Other “Non-Assistance” Tools

Finding 1.9: PFG entailed greater use of "non-assistance" tools, such as diplomatic engagement and debt conversion, than the previous approach. PFG involved enhanced USG diplomatic engagement with the GPH at various levels. During their meeting at the White House in

²² This sensitivity was also mentioned by the representatives of the Supreme Court, Commission on Audit, Office of Ombudsman, and Civil Service Commission at a meeting of the TSC on Rule of Law and Anti-Corruption.

²³ Apparently, many GPH officials expected the PFG to cover most, if not all, of USG economic aid to the Philippines. Some GPH officials even thought PFG would cover, at least partly, USG military aid to the Philippines.

June 2012, President Obama publicly “welcomed President Aquino’s commitment to [PFG] as a catalyzing joint effort to promote anti-corruption and rule of law, improved fiscal performance and regulatory quality, and inclusive economic growth” (USG 2012). The USG and GPH reaffirmed their commitment to PFG during the Bilateral Strategic Dialogue held in Washington, DC in March 2014. During his visit to the Philippines in December 2014, USAID Assistant Administrator Eric Postel met with high-level GPH officials and representatives of the business community and civil society and reiterated the USG’s commitment to PFG. Visits by other senior USG officials also helped advance joint USG-GPH initiatives under PFG. Staff from the U.S. Embassy in the Philippines and USAID/Philippines frequently held policy consultations with GPH officials. The U.S. Ambassador also attended several PFG-related events that would otherwise not merit the presence of such a high-level U.S. official, and in September 2013, the U.S. Embassy held an outreach event for PFG.

Activity documents and USG and GPH interviewees highlighted other instances of non-assistance that took place in conjunction with PFG:

- In 2013, the USG and GPH agreed that \$31.8 million of the GPH’s outstanding debt obligations to the USG would be used to finance forest conservation projects in the Philippines.²⁴
- In April 2014, USTR removed the Philippines from the Special 301 Watch List.²⁵
- In April 2014, the U.S. Department of Transportation granted an International Civil Aviation Organization Category I rating to the Philippines.²⁶
- In November 2015, USTR closed the country review of the Philippines with respect to labor rights under the U.S. Generalized System of Preferences.²⁷

Joint Decision-Making on Where to Focus and Prioritize Resources

Finding 1.10: The USG and GPH used a single grant agreement to provide a legal basis for most activities in the PFG portfolio. They did not rely on separate grant agreements for each individual activity. In September 2011, the USAID Mission Director and the Philippines Secretary of Finance signed an assistance agreement between the Republic of the Philippines and the United States of America for Economic Growth and Democracy and Governance. This agreement provided a legal basis for many (but not all) activities and programs in the PFG portfolio. Although it was signed prior to the finalization of the JCAP, the agreement was based on the findings of the PFG CA and its objective was fully consistent with PFG’s overall goal. All relevant GPH agencies, including the Office of the President, reviewed and cleared the agreement before it was signed.

Under the previous approach, the USG and GPH usually signed a separate agreement for each program or activity. According to Philippines Department of Finance (DOF) officials, line GPH agencies and their USG counterparts often prepared such agreements with limited consultation with other relevant GPH

²⁴ Two key informants (one GPH official and one USAID/Philippines staff member) mentioned this debt conversion as an example of “non-assistance” under PFG.

²⁵ USTR created a “Priority Watch List” and “Watch List” under the Special 301 provisions. A trading partner’s placement on the Priority Watch List or Watch List indicates that problems exist in that country or economy with respect to intellectual property protection or enforcement, or market access for persons relying on intellectual property. Trading partners on the Priority Watch List become the focus of increased bilateral attention concerning the problem areas. The Philippines appeared on the Watch List or Priority Watch List continuously during 1994-2013.

²⁶ With the Category I rating, the Republic of the Philippines’ air carriers can add flights and service to the U.S. and carry the code of U.S. carriers.

²⁷ The country review of the Philippines under the U.S. Generalized System of Preferences began in 2008 and focused on progress on labor-related issues and labor reform legislation. The closure of the review removed a potential barrier to the Philippines’ ability to avail itself of trade preferences under the U.S. Generalized System of Preferences.

agencies. This lack of coordination sometimes caused delays in signing agreements or difficulties in implementation.²⁸

Finding 1.11: PFG required improved cooperation and communication between USG agencies providing development assistance to the Philippines, especially between USAID and other USG agencies. Although PFG was often perceived as a USAID-centric initiative, the planning and implementation of PFG involved extensive consultations and close cooperation among many USG agencies. The USG set up an Interagency Coordinating Team for PFG, which initially comprised representatives of more than a dozen USG agencies. With the support of the White House, the team played an important role in mobilizing USG resources for well-coordinated development assistance to the Philippines under PFG. The evaluation team encountered numerous examples in which PFG activities intrinsically increased or improved coordination:

- At the agency level, USAID and MCC collaborated in conducting the CA (Finding 1.2).
- USAID involved other USG agencies in the preparation of the JCAP (Finding 1.3).
- With the support of the National Security Council and DOS, USAID and the U.S. Department of the Treasury worked with the GPH to reach agreement on the \$31.8 million debt conversion (Finding 1.9).
- USAID and USTR worked with the GPH to successfully resolve some outstanding issues in trade relations between the two countries (Finding 1.9).
- USAID and DOJ reported closer coordination of their TA to the GPH to avoid project duplication and achieve synergies.
- With USAID funding, the U.S. Federal Trade Commission provided TA to the GPH in drafting the Philippines Competition Act and, after the Act was adopted, in strengthening capacity of the Philippines Competition Commission.
- USAID, MCC, and DOT closely coordinated their TA to the Philippines to strengthen its public financial management.
- USAID and the U.S. Embassy coordinated their assistance related to the Trans-Pacific Partnership, and closely collaborated on many PFG-related activities.

As one USG official pointed out, PFG involved effective “interagency coordination” and “a lot of team work” within the USG. Almost all USG representatives and several GPH officials and contractors the evaluation team interviewed indicated there was more cooperation, coordination, and/or communication among USG agencies under PFG than under the previous approach.

Based on interviews with USAID officials, there also appears to have been improved communication and cooperation within USAID. As noted above, USAID/Washington and USAID/Philippines were among the USG champions of PFG and their staff were members of the joint USG-GPH technical team that conducted the CA. USAID/Washington and various units within USAID/Philippines communicated extensively and collaborated closely during the preparation and implementation of the JCAP, a process that led to the reallocation of some funds from activities focused on Mindanao to PFG activities. Several current and former USAID officials agreed that PFG had a positive effect on communication and collaboration among various USAID units.²⁹

Finding 1.12: PFG increased levels of communication and cooperation between the USG and GPH, although the degree of improvement varied across agencies and activities. As mentioned above, PFG entailed strong engagement from both the USG and GPH at various levels. PFG’s

²⁸ USAID/Philippines staff indicated that DOF and NEDA review all project agreements.

²⁹ The evaluation team was not able to collect information about PFG’s effects on cooperation and communication within other USG agencies involved in PFG.

strategic focus on economic growth and its broader and more balanced geographic coverage created opportunities for the USG to establish and/or enhance communication and collaboration with many GPH agencies at the central and local levels. The conduct of the joint CA and the preparation of the JCAP involved extensive communication and close collaboration between the USG and GPH. Subsequently, the USG and GPH continued to communicate extensively and cooperate closely, especially through the PFG steering committee and TSCs, during implementation of the JCAP. Many high-ranking GPH officials devoted substantial time to PFG, especially during its first several years of implementation. Referring to PFG, interviewees (including USG and GPH officials and implementers/contractors) frequently used terms like “true partnership,” “strong partnership,” “strong collaboration,” “a high-level form of co-ownership and partnership that can drive consensus,” and “a major step in enhancing the partnership between the USG and the GPH.”

Most interviewees (including USG and GPH officials and implementing party/contractor staff) confirmed that PFG improved overall bilateral cooperation and communication between the USG and GPH.³⁰ At the same time, they emphasized that the degree of the improvement varied across agencies and projects. Several interviewees (including both USG and GPH officials) mentioned that, under PFG, there was considerable improvement in communication and collaboration between USAID/Philippines and DOF.³¹ A USG representative mentioned that the Commission on Higher Education and DTI were closely involved in the STRIDE activity under PFG, whereas the GPH “did not feel ownership” of USAID’s \$60 million education program in Mindanao under the pre-PFG approach. One GPH official said that PFG entailed “more coordination between the USG and the GPH at the strategic level.” Under the previous approach, coordination between the two governments was mostly at the sector and activity levels.

Although responses were predominantly positive, a few interviewees indicated that PFG had a negative or no effect on bilateral communication and collaboration between the USG and some GPH agencies. A NEDA official indicated that PFG reduced NEDA’s involvement in the design and approval of USG-funded activities. Two interviewees (one former high-ranking GPH official and one USG official) indicated that PFG did not have a significant effect on bilateral communication and cooperation between the USG and GPH in the specific sectors in which they worked.

According to several USG and GPH officials, PFG even had a positive effect on bilateral communication and collaboration between the USG and GPH outside the PFG framework, as it enhanced mutual trust and improved their overall bilateral relationship. The most visible example of the close relations was the effective communication between the two governments when Typhoon Haiyan hit the Philippines in 2013. PFG also played a role in the signing of a cooperation agreement between the two countries’ militaries, despite the fact that this was not PFG’s principal purpose.

Transparency, Mutual Accountability, and Fact-Based M&E

Finding 1.13: PFG entailed greater transparency and accountability than the previous approach. However, that accountability was still limited by the lack of a comprehensive M&E framework and an effective M&E unit. According to USG, GPH, and implementing party interviewees, USG economic aid to the Philippines was more transparent under PFG than under the previous approach. Interviewees attributed this, in part, to the bilateral nature of the CA and JCAP. PFG

³⁰ As evidence of improved bilateral cooperation and collaboration between the USG and GPH, one USG representative mentioned “thank you” letters sent by GPH agencies to the USG and press releases issued by USG agencies about assistance received from the USG.

³¹ The DOF and USAID/Philippines jointly performed functions of the PFG secretariat until February 2016. Furthermore, the DOF was the primary beneficiary of the Facilitating Public Investment activity, which USAID financed and was under the PFG umbrella.

also demanded greater accountability from USG and GPH agencies, as well as implementers/contractors, because the design, work plans, and implementation of PFG activities were reviewed at TSC meetings. This enhanced the accountability of not only the USG funding agencies and the partners that implemented the activities, but also the beneficiary GPH agencies. Furthermore, the TSCs had to report on accomplishments of PFG activities in their respective thematic areas to the PFG steering committee, placing another layer of expected accountability over the USG and GPH agencies and contractors.

Although the JCAP included an M&E plan stipulating USG and GPH cooperation on an evidence-based M&E framework (USG and GPH 2011), there was no explicit theory of change underpinning the JCAP. PFG did not have a proper results framework, which made it difficult to develop a comprehensive M&E framework for PFG and align the development of outcomes from individual activities with PFG's overall goal. For the most of the JCAP implementation period, PFG did not have a comprehensive M&E framework and an effective M&E unit. As such, the JCAP's implementation was not adequately monitored. In 2014-2016, USAID/Philippines prepared – in consultation with other USG agencies, the GPH, and the PFG steering committee and TSCs – annual scorecards for PFG. The scorecards contained high-level performance indicators and did not link development outcomes of individual PFG activities with the results measured by these indicators. According to the GPH officials who commented on PFG scorecards during meetings with the evaluation team, the limited insights of the high-level indicators without links to activity outcomes resulted in scorecards were not particularly useful in M&E of the JCAP's implementation

In February 2016, the PFG steering committee engaged the UPecon Foundation to function as the PFG secretariat, develop a comprehensive M&E framework for PFG, and monitor implementation the JCAP using this framework. The UPecon Foundation then formulated a theory of change for the JCAP, developed a comprehensive M&E framework for PFG, and used this M&E framework to prepare a comprehensive PFG performance review. However, as pointed out by one former GPH official, the engagement of the UPecon Foundation occurred too late to have a significant effect on the JCAP's implementation.

EQI Conclusions³²

Based on the findings for EQI, the evaluation team concludes that the PFG approach differed from the previous USG approach in several significant ways. These include PFG's strategic focus on economic growth, the joint CA process, the JCAP, formal institutional arrangements for the implementation of the JCAP, and greater use of "non-assistance tools." However, the institutional setup for implementing the JCAP did not fully function as envisioned. This may have negatively affected its effectiveness.

Furthermore, while PFG entailed greater transparency and accountability than the previous approach, lack of a comprehensive M&E framework and an effective M&E unit limited accountability of the USG, GPH, and implementers/contractors within the PFG framework.³³

PFG was a true partnership between the USG and GPH in many ways. It improved bilateral communication and cooperation between the two governments. These improvements were not only within the PFG framework but extended to other areas of cooperation. PFG enhanced the GPH's ownership of USG development assistance to the Philippines and, as such, demonstrated some potential benefits of recipient country ownership for the effectiveness of development aid. PFG aligned with President Obama's September 2010 Presidential Policy Directive on Global Development and more

³² Encompasses EQI, EQ1a, and EQ1b.

³³ Although there was no comprehensive M&E plan until 2016, each PFG activity had its own performance monitoring plan.

consistently conformed to the ownership principles of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, the Busan Partnership Agreement, and the Nairobi Outcome Document, as well as with USAID Automated Directives System (ADS) Chapter 201 as they relate to the recipient countries.³⁴

Collaborative, whole-of-government initiatives like PFG can be a useful tool for improving inter-agency communication as well as communication and collaboration with host-country governments. PFG improved, to varying degrees, communication and cooperation between USG agencies involved in PFG. There was also marked improvement in communication and collaboration between USAID and other USG agencies involved in PFG, as well as between actors within USAID.

While demonstrably useful, initiatives like PFG are unlikely to be game-changers in terms of development assistance in the Philippines. The environment in which development assistance is executed is politically complex, with many different actors, each with their own agendas. PFG did not fully replace the previous USG approach to providing development assistance to the Philippines, but extensively complemented it. This can be inferred from the limited availability of funds for PFG. More than a half of USG economic aid to the Philippines, including more than two-fifths of the aid channeled through USAID, was spent outside the PFG framework. Most or all of the development assistance provided to the Philippines by most non-USAID USG agencies working in the Philippines, including several agencies that were initially expected to be closely involved in PFG, also fell outside the PFG framework. This may have limited PFG's positive effects on GPH ownership of broader USG development assistance, on bilateral communication and cooperation between the USG and GPH, and on communication and collaboration among the USG agencies providing economic aid to the Philippines.

EQ2: How did the PFG approach influence the design, implementation, and development outcomes of the USG and GPH projects in the PFG portfolio?

EQ2a: How Useful Was the PFG in Strengthening GPH Capacity?

EQ2 Findings

The bilateral and multi-agency nature of PFG is such that expectations of improved procedural functionality on the part of both the USG and GPH are relatively implicit. There is also a presumption that activity-level changes should be visible, if PFG is to be regarded as a truly successful approach to development. An initiative as ambitious and far-reaching as PFG should manifest in the design and implementation of the development programs under its umbrella and, ideally, these improvements should ultimately be reflected in better development outcomes as well.

In assessing PFG's influence on the design, implementation, and development outcomes of specific PFG activities, the evaluation team examined how PFG's key features (e.g., CA, JCAP, institutional setup) affected the design, implementation, and development outcomes of PFG activities. The team used the following thresholds of causality and contribution:

- Results (goal achievements and performance data) that are linked to PFG through verified data sourced from the qualitative data the team collected as part of its document review and KIs.

³⁴ According to ADS 201, promoting sustainability through local ownership is one of the principles that serve as the foundation for successful implementation of the USAID Program Cycle.

This could include changes in other dimensions identified over the course of data collection (e.g., changes in ‘business as usual’ practices).

- Verified participation in any of the following activities:
 - Drafting and/or passage of successful GPH legislation or regulations.
 - Establishment or modification of relevant formal or informal institutions.
 - Support and/or facilitation of international agreements between the GPH and other countries or multi-country bodies.

While the evaluation team did not develop an aggregate measure of activity impacts and was not able to carry out a rigorous impact evaluation/assessment, the section does highlight some changes in high-level indicators and economic growth factors that can be plausibly linked to PFG activities or results lower down a casual chain.

PFG Influences on Project Design

Finding 2.1: The design of the activities covered by this evaluation was aligned with PFG to varying degrees. Review of design documents and interviews with implementers indicated that all the activities this evaluation covered were intended to align with PFG’s overall goal, fostering inclusive economic growth. The design of the principal PFG activities, including INVEST, COMPETE, TRADE, JUSTICE, i3, FPI, and the MCC Revenue Administration and Reform Project (RARP), was also fully consistent with the JCAP in that the objectives and components of these activities were fully aligned with the JCAP thematic focus areas and objectives. However, the design of other projects (e.g., Higher Education and Productivity Project, STRIDE, the Arangkada Philippines Project, Health Policy Development Program – Phase 2) were only partially consistent with the JCAP.³⁵ The design of other activities such as SIMM and US-DOJ TA did not specifically align with the JCAP focus areas and objectives, though there were areas of overlap. In general, the design of activities related to financial sector development, infrastructure, science, technology, education, and health care were not consistent or only partly consistent with the JCAP focus areas and objectives because the financial sector, infrastructure, and human capital development were not explicit JCAP thematic focus areas.³⁶ Although the Phil-Am Fund grant facility was not included in the PFG portfolio, elements of its design were more aligned with the JCAP.³⁷

Finding 2.2: The PFG steering committee or TSCs reviewed the design of some PFG activities before their implementation began. The steering committee reviewed the design of FPI; the TSC on Regulatory Quality reviewed the design of INVEST, COMPETE, TRADE and STRIDE; and the TSC on Rule of Law and Anti-Corruption reviewed the design of JUSTICE and i3.³⁸ According to interview data, the process of subjecting activities to a review by the steering committee or a TSC made the design of many activities in the PFG portfolio more likely to align with PFG and GPH development priorities. However, the evaluation team did not find any evidence that the review by the steering committee or the TSCs led to substantive changes in the design of the above activities.

Finding 2.3: PFG facilitated the GPH approval of activities in the PFG portfolio. Minutes from steering committee and TSC meetings and information provided by interviewees indicate that PFG facilitated the GPH approval of activities in the PFG portfolio. PFG facilitated this approval by improving bilateral communication between the USG and GPH (Finding 1.13); enhancing GPH ownership of USG

³⁵ STRIDE and the Higher Education and Productivity Project were partly based on the PFG CA and only partially aligned with the JCAP, even though, according to one USG representative, PFG created the portfolio of USG-funded higher education activities.

³⁶ Enhancing human capacity for economic growth was initially a JCAP objective under the Regulatory Quality focus area.

³⁷ The Phil-Am Fund was considered a PFG-enhancing activity.

³⁸ Beneficiary GPH agencies separately reviewed the design of most PFG activities.

development assistance to the Philippines (Finding 1.6); and improving coordination among GPH agencies involved in PFG (Finding 2.5).

PFG Influences on Implementation

Finding 2.4: PFG steering committee and TSC meetings facilitated the implementation of activities in the PFG portfolio. The minutes of the PFG steering committee and TSC meetings do not indicate that any implementation issues for any activities in the PFG portfolio were discussed at any of the meetings. Nonetheless, according to several interviewees (including USG and GPH officials and contractors/implementers), steering committee and TSC meetings facilitated the implementation of activities in the PFG portfolio in two ways. First, the meetings improved the access of USG representatives and contractors/implementers to senior GPH officials. This helped USG representatives and contractors/implementers resolve problems that emerged during the implementation of PFG activities more quickly and effectively than would otherwise have been possible. Second, because GPH agencies, USG representatives, and contractors/implementers quickly resolved some issues in the implementation of PFG activities, these issues did not need to be raised at a steering committee or TSC meeting.

Finding 2.5: There was close coordination among implementers of PFG activities and between them and the GPH. The SOWs for certain activities in the PFG portfolio (e.g., TRADE, i3, FPI) required that the contractor closely coordinate activity implementation with contractors implementing related PFG activities, as well as with the PFG steering committee and the respective TSC. During implementation, there was close coordination among many PFG activities (e.g., among COMPETE, TRADE, i3, and FPI; between E-PESO and SURGE; between MCC RARP and FPI). There was also close coordination between many activity implementers and counterpart GPH agencies. Implementers of most PFG activities made presentations about their activities to the PFG steering committee and/or the respective TSCs, and the steering committee and/or the TSCs provided guidance on work plans for these activities.

Finding 2.6: Contractors had a relatively high degree of flexibility in implementing some PFG activities. The SOWs for some PFG activities permitted a good deal of flexibility in implementation. For instance, the FPI SOW stated, “The Contractor is expected to propose an overall [project implementation] strategy with corresponding activities for achieving the goal of PFG, particularly the objectives of FPI.” Several interviewees (including both contractors/implementers and GPH officials) involved in or familiar with the implementation of PFG activities confirmed that contractors had sufficient flexibility in implementing the activities to respond to GPH needs and resolve problems in activity implementation quickly and effectively.

Finding 2.7: Activities in the PFG portfolio were generally responsive to GPH needs. USG interviewees who were involved in overseeing PFG activity implementation emphasized that they tried to ensure that the activities under their purview were responsive to GPH needs. Accordingly, many GPH officials told the evaluation team the PFG activities were generally responsive to GPH needs, although not always as much as they would have liked. According to the UPecon Foundation (2019), the JUSTICE project’s activities aligned with the Supreme Court’s reform agenda, specifically in improving infrastructure, systems, and processes, and in achieving rational, predictable, speedy, and appropriate judicial actions. Similarly, i3 assistance to the Office of the Ombudsman was aligned with the latter’s seven-year (2011-2018) roadmap to control and prevent corruption. Education and health activities were aligned with key result areas in the Aquino Social Contract with the Filipino People, which aimed to improve quality of life by investing in education, advancing public health, building capacities and creating opportunities for the poor and marginalized, upgrading social protection, and engaging communities in their own development.

PFG Influences on Development Outcomes

Finding 2.8: Interviewees and reporting documents indicated that PFG helped many activities in the PFG portfolio achieve better development outcomes. PFG-related documents and information provided by interviewees indicate that PFG helped many activities in the PFG portfolio achieve better development results by aligning their design with GPH priorities (Findings 1.2 and 2.1); facilitating their implementation (Finding 2.5); making them more responsive to GPH needs (Finding 2.7); ensuring close coordination among activity implementers and between them and the GPH (Finding 2.4); enhancing accountability of USG and GPH agencies as well as contractors (Finding 1.12); improving bilateral communication and collaboration between the USG and GPH (Finding 1.13); enhancing GPH ownership of USG development assistance to the Philippines (Finding 1.6); and improving communication and cooperation among USG agencies providing development assistance to the Philippines under PFG (Finding 1.11). PFG also expanded USG assistance in the areas of rule of law, anti-corruption, fiscal performance, and higher education, achieving positive development results where little or no prior USG support was available.

A comprehensive enumeration of PFG's activity-specific development outcomes can be found in Volume I of the UPecon Foundation's PFG Performance Review, 2012-2016.³⁹ Within the context of this evaluation, it is useful to examine how some of those outcomes relate to the larger constraints themes of (1) improving regulatory quality (particularly for trade), (2) strengthening rule of law and anti-corruption measures, (3) improving fiscal performance, and (4) expanding the Philippines' human capacity. The following text box describes some major development outcomes that PFG contributed to in those four areas.

³⁹ UPecon (2019) and Findings 2.11 to 2.20 provide detailed information on how PFG contributed to these outcomes.

IMPROVED REGULATORY ENVIRONMENT FOR BUSINESS AND TRADE

The Philippines's percentile rank in the World Bank's Worldwide Governance Indicator (WGI) of regulatory quality rose from 43.60 percent in 2011 to 55.77 percent in 2017 (Table 4). Similarly, its rank on regulatory quality and business environment rose in Cornell University, INSEAD, and the World Intellectual Property Organization's Global Innovation Index (GII) between 2013 and 2018 (Table 5). PFG contributed to this outcome mostly by helping the INVEST, COMPETE, TRADE, Federal Trade Commission TA, and DOS TA activities achieve better development results, including assisting with the drafting and passage of several key pieces of legislation. These pieces included:

- The Philippine Competition Act, establishing a national competition authority and modernizing the country's law against anti-competitive behavior.
- The Customs Modernization and Tariff Act, introducing reforms in customs administration and cargo clearance procedure (which enabled the Philippines to accede to the World Trade Organization Agreement on Trade Facilitation in February 2017).
- The Strategic Trade Management Act, providing a framework for control of trade to combat terrorism with least disruptions to legitimate trade.
- The Foreign Cargo Co-Loading Act, allowing foreign vessels to dock in multiple ports in the country, albeit within existing limits of cabotage.
- Amendments to the Right-of-Way Acquisition Act, which provides for market-based valuation of property and streamlines the issuance of writ of possession.

PFG contributed to a variety of other lasting positive outcomes by helping assess the country's readiness to enter into new trade agreements and assisting with key international agreements and internal reform of trade-related policies and practices. These included:

- The signing of Protocols 5 and 6 of the Association of Southeast Asian Nations (ASEAN) Multilateral Agreement on Air Services, which allows Philippine air carriers to fly unlimited frequencies to and beyond the capitals of Southeast Asian countries.
- The issuance of Department of Energy circular 2015-06-0008, mandating distribution utilities to adopt a competitive selection process in securing power supply agreements.
- Streamlining business registration processes in three major cities (Cagayan de Oro, Iloilo, and Batangas), "shortening the registration period from 17-19 days to less than 1 hour, and reducing the required steps to obtain registration from 27 steps to 4 or less" (UPecon 2019).

Additionally, in 2015, the Committee for the ASEAN Economic Community (AEC) approved the Philippines AEC Game Plan, a roadmap for compliance with the country's AEC blueprint commitments. This happened in part because PFG's TRADE activity sponsored workshops and roundtable discussions for the Philippines AEC Committee to bridge coordination gaps that had previously stifled similar initiatives while also organizing and supporting strategic and technical planning for the AEC Committee Work Plan 2014-2015 and its roundtable discussions on the Philippine National Trade Repository.

STRENGTHENED RULE OF LAW AND ANTI-CORRUPTION

The WGI's estimate of rule of law in the Philippines increased between 2011 and 2017, although the country's percentile rank fell slightly due to greater increases in the estimates for some other countries (Tables 4-6). The Philippines' rank on rule of law in the GII rose between 2013 and 2018, and the country garnered a higher rank on property rights in the World Economic Forum Global Competitiveness Index (GCI) for 2017-2018 than in the GCI for 2011-2012 (Tables 5 and 6). During this time, the Philippines' rank in Transparency International's Corruption Perception Index rose from 129 of 182 countries in 2011 to 99 of 180 countries in 2018. The Philippines' percentile rank on the WGI of control of corruption increased between 2011 and 2017, and it ranked higher on ethics and corruption and on undue influence in the GCI for 2017-2018 than for 2011-2012 (Tables 4 and 6). PFG contributed to strengthening the rule of law and the decline in the incidence of corruption in the Philippines mainly by helping the JUSTICE and i3 activities attain better development results.

- As part of JUSTICE, PFG installed automated case management systems (eCourt) in 186 courts of 8 court districts nationwide (this included features enabling automated hearing and electronic raffling of new cases); undertook a case decongestion initiative in 174 courts in 15 cities nationwide; and streamlined litigation procedures that reduced case processing time by 60 to 69 percent in Quezon City courts.
- Under i3, PFG supported the Office of the Ombudsman to combat corruption by institutionalizing collaborative investigator-prosecutor team approaches to case build-up; digitizing cases and related documentary evidence; and migrating criminal and administrative case data into an automated case management system. PFG helped create additional anti-graft courts and streamline trial procedures. Support to the Commission on Audit (COA) included installation of evidence management and digital imaging systems to handle fraud audits and training for fraud auditors. Assistance to the SEC and the Governance Commission for Government-Owned and -Controlled Corporations (GOCCs) resulted in changes in their internal systems and increased GPH capacity for risk-based corporate monitoring and fraud investigation.

IMPROVED GPH FISCAL PERFORMANCE

The ratio of general government revenue to GDP rose from 17.6 percent in 2011 to 19.6 percent in 2017. Accordingly, the Philippines got a higher rank on macroeconomic environment in the 2017-2018 GCI than in 2011-2012 (Table 6). PFG contributed to this outcome by supporting the Philippines' participation in the Open Government Partnership and Extractive Industries Transparency Initiative, and by providing TA on various initiatives to improve tax administration, tax policy, and expenditure management through FPI and MCC RARP. This support was seen in several areas:

- Business process reengineering of the Bureau of Internal Revenue, which simplified the registration, payment, and processing of taxes, including system upgrades that allowed the use of credit, debit, and prepaid cards for tax payments.
- Drafting the Tax Incentives Management and Transparency Act, which was subsequently enacted into law and facilitated systematic monitoring of grants and utilization of tax incentives.
- Addressing fiscal spending concerns by assisting the Department of Budget and Management's initiatives in eliminating bottlenecks in the spending cycle and linking budget preparation and budget execution.
- Helping the tax agency conduct value-added tax audits, managing unpaid taxes, and upgrading its tax information systems to allow for electronic filing and payment of tax returns.

- Launching an expanded electronic filing system for tax returns, increasing e-filing from 1.5 million returns in 2012 to 17 million in 2016, representing 85 percent of all tax returns and 82 percent of tax revenues in 2016.

HUMAN CAPITAL DEVELOPMENT

The Philippines ranked higher on university-industry collaboration and on capacity for innovation in the 2017-2018 GCI than in 2011-2012 (Table 6). PFG contributed to improving the quality of higher education in the Philippines and the country's enhanced capacity for innovation through the STRIDE activity and Higher Education and Productivity Project. These represented the first major⁴⁰ USG foray into higher education sector support in the Philippines and included several significant reforms:

- Under STRIDE, PFG helped set up career centers in universities for industry recruiting, provided mentoring for the directors of these centers, provided training to career and guidance professionals, and developed guidelines to ensure quality on-the-job training and internships.
- STRIDE also established the Philippine Government-University-Industry Research Roundtable as a major public-private dialogue mechanism that brings the research community together to discuss research and development issues.
- PFG support also organized innovation workshops that produced embryo partnerships, research ideas, and joint grant applications;⁴¹ learning and innovation networks; and higher education summits that discussed policy issues affecting tertiary education.
- A PFG-organized higher education summit resulted in the Manila Declaration on Higher Education and Policy Memorandum, which sought to improve the quality of programs, faculty, and governance. The memorandum was signed by 565 presidents and administrators from 418 higher education institutions.
- PFG-facilitated discussions between the Professional Regulation Commission, academia, and industry led to the formation of National Industry-Academe Councils in six professions.

TABLE 4: SELECTED WORLDWIDE GOVERNANCE INDICATORS FOR THE PHILIPPINES, 2011 AND 2017

	2011		2017	
	Estimate	Percentile Rank (%)	Estimate	Percentile Rank (%)
Regulatory quality	-0.23	43.60	0.02	55.77
Rule of law	-0.51	37.09	-0.41	37.02
Control of corruption	-0.67	27.96	-0.48	39.90
Government effectiveness*	0.09	59.24	-0.06	51.92

Note: Higher estimate and higher percentile rank correspond to better outcome.

* USAID uses this metric as a measure of government capacity for the Journey to Self-Reliance.

Source: World Bank

⁴⁰ In earlier periods, USAID had supported higher education through academic scholarships in various sectors and fields.

⁴¹ A conference like the U.S. Association of University Technology Managers called "Synergy 2015: Seeking to Increase Innovation Throughput in the Philippines" was held in collaboration with the Intellectual Property Office of the Philippines. It demonstrated the importance of mature knowledge and technology transfer and highlighted the role of intellectual property management in innovation. It ran parallel with the National Academy of Science and Technology's conference, "Toward an Innovation Economy: Building the Philippine Innovation System." PFG supported both forums.

TABLE 5: GLOBAL INNOVATION INDEX, SELECTED COMPONENTS FOR THE PHILIPPINES, 2013 AND 2018

	2013		2018	
	Score	Rank	Score	Rank
Regulatory quality	42.7	93	44.0	71
Business environment	42.6	132	62.1	91
Rule of law	33.4	98	33.1	88
Tertiary education	23.0	91	34.3	54
Government effectiveness	38.3	68	44.9	73
Government's online service	49.7	67	66.7	51

Source: GII website (<https://www.globalinnovationindex.org/home>).

TABLE 6: GLOBAL COMPETITIVENESS INDEX, SELECTED COMPONENTS FOR THE PHILIPPINES, 2011-2012 AND 2017-2018

	2011-2012		2017-2018	
	Value	Rank	Value	Rank
Property rights	3.3	104	4.2	71
Ethics and corruption	2.4	127	2.6	111
Undue influence	2.7	112	3.0	95
Corporate ethics	3.2	118	3.6	84
Macroeconomic environment	5.0	54	5.8	22
Quality of higher education and training	3.8	61	4.2	46
Capacity for innovation	2.7	95	4.5	45
University-industry collaboration in research and development	3.4	83	3.5	59
Government efficiency	2.9	121	3.1	97

Source: World Economic Forum

Finding 2.9: Certain weaknesses of PFG constrained its positive effects on activity outcomes. Interviewees mentioned several weaknesses of PFG that constrained its positive effects on development outcomes of activities in the PFG portfolio. Among these weaknesses were the limited availability of funds for PFG (Finding 1.4); the lack of a comprehensive M&E framework linking the development results of individual PFG activities with PFG's overall goal and making USG development assistance to the Philippines under PFG more coherent; and the lack of an effective M&E unit for the most of the JCAP implementation period (Finding 1.13).

PFG Influences on GPH Capacity

Finding 2.10: International rankings suggest that the GPH made mixed progress in strengthening its capacity between 2011 and 2018. The Philippines garnered a higher GCI rank on government efficiency for 2017-2018 than in 2011-2012 (Table 6). Its rank on government online services in the GII rose between 2013 and 2018 (Table 5). At the same time, its percentile WGI rank for government effectiveness fell between 2011 and 2017 (Table 4). Its GII rank on government effectiveness also decreased slightly between 2013 and 2018, although its overall score increased over the same period (Table 5).

However, some improvements in GPH capacity are not fully captured by the international rankings as they may not be recognized as formal metrics. They are only early indicators of positive change and are too granular for country-level measurement, or other reasons. PFG-related documents and information provided by interviewees indicate that there were many improvements in GPH capacity during the past six to seven years. According to interviewees, GPH capacity improved in areas such as trade policy formulation, trade negotiations, trade facilitation, competition policy, business and land registration, a national retail payment system, enforcement of rule of law, control of corruption, revenue administration, expenditure management, government-to-business partnership, and inter-agency coordination. All these are tied to specific PFG activities, but the international rankings do not fully capture some of these improvements, or do not capture them at all. Nonetheless, PFG contributed to these improvements indirectly (through activities in the PFG portfolio) and/or directly (through the institutional arrangements for the JCAP's implementation, improved communication and collaboration among USG agencies, etc.).

Finding 2.11: Through the TRADE activity, PFG helped the GPH enhance its capacity for trade policy formulation, trade negotiations, and trade facilitation. TRADE sponsored the participation of personnel from the DTI, NEDA, and Tariff Commission in I-MUST Plus, a non-degree professional development program that aims to give participants knowledge and skills in designing strategies that help a country take full advantage of opportunities offered by preferential trade agreements.⁴² Other training activities TRADE organized or sponsored for GPH officials covered the negative list approach in scheduling commitments in services liberalization and skills development for trade negotiators (TRADE 2016 Annual Report).

TRADE helped the DTI set up the Philippine National Trade Repository, a web-based portal of trade information. The Repository provides comprehensive information about all tariff and non-tariff measures applied to goods entering, exiting, and transiting the Philippines, including governmental requirements for specific commodities. Furthermore, TRADE assisted the DTI in developing the Customs Regulated Imports List, a comprehensive database of regulated products, regulating agencies, permits required, and procedures involved in clearing with customs. In addition, TRADE supported the DTI's efforts to enhance the Philippine Tariff Finder, an online tool that gives users quick access to comprehensive, up-to-date information about tariff rates under applicable trade agreements (Deloitte Consulting 2017).

Finding 2.12: PFG assisted the GPH in improving its capacity to formulate and implement competition policy. USAID and the U.S. Federal Trade Commission collaborated within the PFG framework to provide capacity building TA to the Philippines Competition Commission. Through the COMPETE activity, PFG also assisted the Energy Regulatory Commission in reviewing and amending its policies on cross-ownership in the electricity market (Asia Foundation et. al. 2015). Furthermore, PFG provided critical TA to the Senate Committee on Trade and Industry and House Committees on Trade and Industry and Economic Affairs in the drafting of the Philippines Competition Act. The Act's passage is significant in several respects, including the fact that it took nearly three decades to obtain congressional approval; the Philippines was the last of the major ASEAN economies to have a modern competition law; and several sectors were initially apprehensive in creating a competition body that may just add another layer of regulation. Thus, PFG-enabled advocacy and outreach activities towards various stakeholders were also crucial. These included at least 28 briefings and learning sessions for lawmakers and legislative staff; seminars for members of the judiciary, media, and business community; consultations with competition experts, including 3 from the U.S. Federal Trade Commission and 1 former official of

⁴² The Universal Access to Competitiveness and Trade, a think tank affiliated with the Philippine Chamber of Commerce and Industry, implemented the program.

Israel's Industry and Trade Ministry; and workshops and consultations on the implementing rules and regulations.⁴³

Finding 2.13: Through the SURGE activity, PFG helped three Philippine city governments enhance their capacity for business and land registration. SURGE assisted the governments of Cagayan de Oro, Batangas, and Iloilo in establishing an end-to-end business permits and licensing system. The system allows businesses to register virtually or in public places such as shopping malls. It reduced the documentary requirements and processing time for business registration from 27 steps in Iloilo and 17 steps in Batangas and Cagayan de Oro to 3-4 steps, and from an average of 19 days in Cagayan de Oro and 11 days in Batangas City to 1-2 hours. These changes prompted the Batangas City government to issue an ordinance institutionalizing the system, establishing a one-stop facility for issuing building and occupancy permits, and setting a seven-day target for releasing building permits. SURGE also helped the three city governments improve their land registration systems by updating land tenure profiles, facilitating urban land titling, and streamlining administration of property rights (UPEcon 2019)

Finding 2.14: Through the E-PESO activity, PFG assisted the GPH in developing a national retail payment system and adopting e-payments in providing public services. E-PESO supported the Philippines Central Bank in developing a national retail payments system to rationalize the existing multiple retail payments systems and make them interconnected and interoperable. E-PESO provided training to Central Bank staff in digital security, consumer protection and confidence, financial inclusion, and e-payment stability. E-PESO also assisted the local governments of Cagayan de Oro City, Puerto Princesa City, Pulilan (Bulacan), and Zamboanga City in strengthening their front- and back-end infrastructure for retail payments.

To expand the use of e-payments, E-PESO organized dialogues with the Department of Interior and Local Government, local governments, and chief information officers of various GPH agencies to raise awareness on the use of e-payment systems in delivering public services. Follow-on activities were conducted in cities and municipalities that were already using electronic money for financial transactions, so they could be exposed to newer payment technologies. These included the local governments of Pulilan (Bulacan), Valenzuela, Batangas, Cagayan de Oro, Quezon City, and Iloilo City. The local government units of Puerto Princesa and Zamboanga City were encouraged by these initiatives to release local ordinances supporting e-payment adoption and to draw up action plans to implement e-payment services (Chemonics International 2015).

Finding 2.15: Through the JUSTICE activity, PFG helped the GPH increase the efficiency and effectiveness of trial courts. JUSTICE designed and helped the GPH introduce the “eCourt” court case management software. The activity implemented a training program to help judges and court personnel transition to the new software. To ensure sustainability and GPH ownership of eCourt, JUSTICE provided training to staff of the Supreme Court Management Information Systems Office in using and administering eCourt. A total of 186 trial courts used eCourt as of the end of September 2016, when JUSTICE ended (ABA 2016). Interviews with GPH justice sector actors indicated that the system was still in use, although no specific data was available regarding the extent of that use.

JUSTICE implemented and evaluated four related procedural reforms aimed at accelerating case resolution: new rules for litigation, continuous trial for criminal cases, expedited trial for civil cases, and the assisting court system. In general, these initiatives introduced or amended trial rules to reduce delays in resolving criminal and civil cases.

⁴³ Deloitte Consulting LLP (2017), *TRADE End of Project Report*. Manila, PH.

Due in part to the automation and procedural reforms, the efficiency and effectiveness of many trial courts improved. For the 10 target district courts in the JUSTICE activity, the average clearance rate rose from 98 percent in 2013 to 110 percent in 2016.⁴⁴ The aggregate volume of pending cases declined by about 5 percent over the same period, from 144,100 in 2013 to 137,220 in 2016 (UPecon 2019).

Finding 2.16: Through JUSTICE, PFG also assisted the GPH in enhancing its capacity for contract enforcement, alternative dispute resolution (ADR), and protection of intellectual property rights. To help the GPH strengthen contract enforcement, JUSTICE held several training workshops for appellate and commercial court judges. The activity also provided arbitration training to lawyers and hearing officers at the Office of the Government Corporate Counsel to facilitate resolution of cases outside the trial system. JUSTICE trained personnel from the Public-Private Partnership Center and the Office of ADR to use ADR for public-private partnership disputes and to develop a communication strategy to promote ADR. In addition, the activity developed reference materials for arbitration trainings (UPecon 2019).

In partnership with the Intellectual Property Office of the Philippines, JUSTICE trained commercial court judges and court personnel on the New Rules for Intellectual Property Right Cases through a series of workshops. PFG also assisted the Supreme Court and the Intellectual Property Office of the Philippines in revising a compliance manual on the New Rules for Intellectual Property Right Cases. The manual was shared with the members of the National Committee on Intellectual Property Rights, an inter-agency committee aimed at raising intellectual property protection standards in the Philippines (UPecon 2019).

Finding 2.17. Through the i3 activity, PFG helped the GPH strengthen the capacity of its anti-corruption agencies. i3 supported capacity building in key GPH anti-corruption agencies such as the Office of the Ombudsman, COA, Civil Service Commission (CSC), and Governance Commission for GOCCs. At the Office of the Ombudsman, i3 supported the implementation of a collaborative investigator-prosecutor team approach to case build-up.⁴⁵ The activity also supported the upgrade of the Ombudsman's case management information system, migration of criminal and administrative case data into the system, and development of an evidence management system (UPecon 2019).

At the COA, i3 helped build the capacity of COA auditors in fraud audits of high-risk government functions. The activity trained COA auditors in information system and procurement fraud audit and conducted study sessions for COA auditors taking the Certified Fraud Examiners tests. All three batches of i3-supported COA auditors passed the examination. Additionally, with i3's support, an evidence management system was installed at the COA. The activity provided the COA with hardware (computer units and scanning equipment) and software that digitize high-profile priority audit case files, allowing personnel to preserve and manage volumes of documents in a secure system. The activity also trained COA personnel in using the system (UPecon 2019).

Furthermore, i3 helped the COA develop a new strategic plan organizing official visits for COA staff to engage their U.S. counterparts in discussing best practices as reference for developing the COA's new strategic plan. In June 2016, COA formally adopted its revised vision and mission statements, reaffirming its mandate as an independent institution guarding public resources and an enabling partner of government in the delivery of public service (UPecon 2019).

i3 also supported the CSC in assessing its capacity to implement administrative discipline on other government agencies. As the CSC and the Office of the Ombudsman share concurrent jurisdiction over

⁴⁴ Clearance rate refers to the number of outgoing cases as a proportion of the number of incoming cases in a given period.

⁴⁵ The case build-up approach emphasizes early collaboration between prosecutors handling criminal cases and investigators gathering evidence in the field. Collaboration in early fact-finding stages increases the chance of gathering high-quality evidence, case survival, and successful conviction. The Office of the Ombudsman began employing the case build-up approach in the conduct of lifestyle check on public officials in April 2015.

administrative disciplinary cases, clear delineation of responsibilities is important so large-scale criminal cases can be prioritized and public complaints referred to the proper agency. The referral system is also needed to reduce CSC's caseload. i3 conducted interviews, focus group discussions, and workshops that brought together senior CSC and Office of the Ombudsman officials to identify common positions and resolve differences regarding the draft cooperation agreement and case referral system. The two agencies reached an agreement on the delineation of jurisdictions between them (UPecon 2019).

At the Governance Commission for GOCCs, i3 helped develop an internal whistleblowing protection protocol and a web portal to provide whistleblowers with an avenue to channel complaints through a secure system. In addition, i3 supported the development of dashboards to allow comparison of performance scorecards of the different GOCCs (UPecon 2019).

Finding 2.18. Through the i3 activity, PFG also helped the GPH strengthen the capacity of the SEC. i3 assisted the SEC in developing a strategic plan to align its performance with regional standards. The activity appraised the agency's initiatives and identified risks and areas for improvement. I3 also developed a risk register tool that identified priority and vulnerable areas of its operation that may affect the strategic plan's success (UPecon 2019).

Furthermore, i3 assessed the SEC's case management system and recommended streamlining procedures. The activity helped develop a uniform case management operating procedure to address inconsistencies in practices of its enforcement and investor protection units. I3 also assisted the SEC in mapping out a transfer-storage-retrieval blueprint to improve records management. Inter-agency visits to the CSC were supported to improve the case management systems in the two agencies (UPecon 2019).

i3 also trained auditors in the SEC and Governance Commission for GOCCs to identify, assess, and manage fraud risk, spot red flags, and detect fraudulent patterns and behaviors of companies. The activity further assessed SEC capacity to detect, investigate, and prosecute investment fraud and trained SEC personnel in conducting investment fraud investigation. I3 conducted a training needs assessment and developed a strategic training plan based on a competency model aligned with international best practices (UPecon 2019).

i3 contributed substantial capacity-building assistance to the SEC in implementing the SEC Oversight Assurance Review (SOAR) inspection program.⁴⁶ Notably, i3 updated the SEC's quality assurance review guidelines, drafted the SOAR manual, aligned the SOAR guidelines with regional standards and practices, and conducted training to support SOAR implementation (UPecon 2019).

Finding 2.19: Through the FPI and MCC RARP activities, PFG helped the GPH improve revenue administration and expenditure management. FPI assisted the Bureau of Internal Revenue (BIR) of the DOF in upgrading its e-filing systems, which considerably increased the proportion of tax returns filed electronically. FPI also aided the BIR in developing software that extracts data from electronic returns to populate the BIR databases. This allows more returns to be processed and clears the agency's backlog in processing returns. This reduced the BIR's administrative costs and increased the use of its systems (DAI 2016).

In addition, FPI provided TA to the Department of Budget and Management in reengineering and streamlining its key internal business processes, including the management and release of lump-sum

⁴⁶ The SOAR enables the SEC to review quality control policies and procedures of accredited auditing firms that provide service to publicly listed companies. As an investor protection initiative, the SOAR reviews audit outputs of selected audit engagements to ensure that auditing firms adhere to international auditing standards and regulatory requirements.

funds, budget preparation, signature authority, and organizational set-up and staffing. This helped the Department of Budget and Management identify the opportunity to free up \$500 million within the 2016 central government budget.⁴⁷

MCC RARP helped the BIR develop and roll out an IT-based tax administration system, the electronic Tax Information System (eTIS). Specifically, RARP funded the procurement of equipment and software related to the eTIS and provided training to BIR staff in using the eTIS. The eTIS was rolled out to 13 BIR regional offices, which together account for 70 to 80 percent of government revenue collected by the BIR. The eTIS increased the operational efficiency of the regional offices in registering taxpayers and processing tax returns. The enhanced business processes, improved enforcement and compliance in tax administration, and contributed to the increase in GPH tax revenue (NORC at the University of Chicago 2016).

Furthermore, RARP supplied the BIR's Large Taxpayer Unit with computers, software, and subscription data for use in auditing taxpayers with automated records. The RARP also provided training to BIR staff in using these tax auditing tools. The use of the new tools significantly reduced the amount of time needed to complete an audit and addressed taxpayer concerns about fairness of tax audits based on sampling rather than a review of all transactions. The reduction in person days per tax audit helped the BIR reduce its backlog of unfinished audits, promoted taxpayer satisfaction, and led to an increase of 30 percent in revenue collection per audit.⁴⁸

RARP helped the DOF strengthen its Revenue Integrity Protection Service. It helped the Service establish a case management system that improved its ability to bring cases to prosecution. The number of resolved cases increased from 28 in 2012 to 140 in 2016. The number of days taken to complete an investigation was reduced from 120 to 60 days over the same period (NORC at the University of Chicago 2016).

DOT's support within the PFG framework helped MCC engage the International Monetary Fund in the implementation of RARP, which contributed to strengthening GPH capacity for revenue administration. The International Monetary Fund co-financed and implemented TA to the BIR to reform tax administration at the procedural and technical levels. The TA redesigned procedures and identified key risks and compliance objectives in each core functional area and measures needed to address them. These procedural improvements were integrated with eTIS.⁴⁹

Finding 2.20. PFG contributed to the strengthening of GPH capacity in several other areas.

Through several activities, PFG contributed to the improvement of GPH capacity for government-to-business partnership. Through STRIDE, PFG strengthened the Commission on Higher Education's capacity to work with universities. Under its PFG-aligned funding components, the Phil-Am Fund (1) financed the development of a computerized module for in-service training of first- to third-grade teachers, reaching 4,053 teachers in 40 Department of Education divisions; (2) promoted participatory planning and budgeting in 31 municipalities in 5 provinces; and (3) supported the establishment of an alliance of local government units to protect the Amburayan River, leading to its designation as a water quality management area. According to several interviewees, PFG helped strengthen GPH capacity for inter-agency coordination because the preparation and implementation of the JCAP involved a good deal of coordination among numerous GPH agencies.

⁴⁷ DAI. Our Work. Philippines--Facilitating Public Investment (FPI). <https://www.dai.com/our-work/projects/philippines-facilitating-public-investment-fpi> (accessed February 1, 2019).

⁴⁸ MCC. Where We Work. Philippines Compact. <https://www.mcc.gov/where-we-work/program/philippines-compact-1> (accessed February 7, 2019).

⁴⁹ Ibid.

Finding 2.21: According to interviewees, many but not all PFG-assisted improvements in GPH capacity are likely to be sustained. Although the evaluation team could not rigorously assess the sustainability of PFG-assisted improvements in GPH capacity, the interviewees spoke favorably about the way in which many of the improvements had already endured an administrative change, and thus stood a good chance of continuation. PFG-supported legislation, formal agreements, and new policies and institutions are likely to persist unless direct action supplants or replaces them.

At the same time, the sustainability of some other PFG-assisted improvements in GPH capacity is in doubt. Notably, the USAID Office of Inspector General (2017) found the sustainability of eTIS and the case management system was at risk due to the lack of a coherent sustainability plan. NORC at the University of Chicago (2016) found that the sustainability of the case management system was uncertain given the lack of encoders needed to upload data. An interviewee familiar with the RARP confirmed to the evaluation team that the sustainability of some RARP-assisted improvements in BIR capacity was at risk. Other interviewees said that the sustainability of PFG-supported improvements in DTI capacity was also at risk because of high staff turnover at the DTI.

EQ2 Conclusions

Based on the extensive and far-reaching outcomes from PFG's combined efforts, the evaluation team concludes that PFG's bilateral collaborative nature helped align development programs with host-country needs and ensure better development outcomes.

Data suggested that PFG aligned activities in its portfolio more closely with GPH priorities. All PFG activities in the sample for this evaluation were aimed at promoting inclusive economic growth in the Philippines. However, the design of some activities was not aligned or only partially aligned with the JCAP focus areas and objectives.

- The evaluation data suggested that PFG was a factor in facilitating GPH approval and implementation of activities in the PFG portfolio, improving coordination among them, and making them more responsive to GPH needs.
- PFG increased the GPH's influence on the design and implementation of activities in the PFG portfolio, but the GPH influence varied across activities.
- PFG demonstrated a useful level of adaptability in its evolution, incorporating important enhancing activities related to education and health into its portfolio.
- PFG helped many activities in the PFG portfolio achieve better development outcomes.
- PFG could have had a greater positive effect on development outcomes of the activities in the PFG portfolio if more funds had been available for PFG⁵⁰ and if the JCAP's implementation had been monitored properly⁵¹.
- PFG could have had a greater and more sustainable positive effect on GPH capacity if it had focused more on GPH capacity building and gave greater attention to sustainability starting at the design stage of activities.

⁵⁰ This should not diminish the fact that the USG rapidly procured and set up the major PFG activities within an impressively small window of time, initiating some 40 new mechanisms to implement PFG and other activities within two years.

⁵¹ While the PFG M&E framework was set up later than it should have been, it did enable the completion of the UPecon PFG performance review. This may have been the more important use of the framework as implementation continued at the activity level.

EQ3: How appropriate and useful was the constraints analysis for the overall PFG approach?

EQ3a: Were the constraint analysis and the selection of the constraint themes⁵² for the PFG made properly?⁵³

As noted in Finding 1.1, USAID does not consistently use a CA prior to drafting a development strategy, though it became more common across the Agency during PFG. However, the MCC has formalized the practice as a prerequisite for all its country-specific undertakings, as have several other international development organizations (e.g., Asian Development Bank [ADB], World Bank). This question was incorporated into the evaluation to understand how important the CA was to PFG's overall success.

To answer this EQ, the team needed to determine if (1) the CA process had been executed correctly, (2) the CA was fully incorporated into the bilateral PFG process, (3) the identified constraints assisted with the selection of the PFG activities in the Philippines, and (4) whether the CA was a useful component of PFG's development approach.

EQ3 Findings

CA Execution

Finding 3.1: The PFG CA was executed in a systematic, rigorous, and evidence-based fashion. Based on the content of the CA report and conversation with the CA team lead, the evaluation team confirmed that the CA employed the growth diagnostic framework developed by Hausman, Rodrik, and Velasco (2005) and widely used by development institutions in country diagnostic studies in the 2000s.⁵⁴ When conducting the CA, the joint USG-GPH technical team collected and analyzed a wide range of evidence and held working sessions and roundtable discussions with GPH and private sector representatives and academics to collect information and validate findings from the CA. The CA team leader had a reputation as a reliable actor who has conducted similar analyses in the past, and interviewees who were familiar with the CA assessed it positively and trusted its findings.

Incorporation of CA into the Bilateral PFG Process

Finding 3.2 An up-to-date CA proved to be a critical element of the bilateral PFG process. PFG, as a USG approach to providing development assistance, was designed as “a partnership between the United States and a select group of countries to accelerate and sustain broad-based economic growth.” “Rigorous, evidence-based joint analysis on constraints to growth conducted by integrated teams of USG and PFG country officials” was a core PFG principle. Therefore, the PFG process was to include “joint analysis on constraints to growth, followed by broad consultation and dialogue on findings.”⁵⁵

Many development institutions, such as the MCC, ADB, and World Bank, conduct country diagnostic studies when preparing their country partnership strategies. The ADB conducted one such study on the

⁵² “Constraint themes” in this EQ are understood to refer to priority/focus thematic areas within the larger binding constraints areas.

⁵³ “Properly” in this EQ is understood to indicate a process consistent with good practices that lead to a viable result.

⁵⁴ The Hausman, Rodrik, and Velasco (2005) framework is an analytical tool that helps identify constraints to private investment and entrepreneurship in a particular country. In its 2007 country diagnostic study on the Philippines, the ADB used this framework to identify critical constraints to growth. It used a different analytical framework to identify critical constraints to poverty reduction (ADB, 2007).

⁵⁵ USAID. News and Information. PFG. <https://www.usaid.gov/news-information/fact-sheets/partnership-growth>.

Philippines in 2007, focusing on critical constraints to growth and poverty reduction. When developing the MCC's first compact with the Philippines during 2009-2010, the MCC and GPH utilized the ADB's 2007 country diagnostic study on the Philippines (Finding 1.1). However, the economic situation in the Philippines changed appreciably between 2007 and 2011. Hence, there was a need to undertake a new CA for PFG.

Finding 3.3: CA-informed consultations on JCAP priorities were held with diverse USG and GPH stakeholders. In June 2011, a 10-person delegation representing the Interagency Coordinating Team visited Manila and held consultations with the GPH, private sector, civil society, and think tanks on priorities for the JCAP. Meeting notes indicate that representatives of the private sector and think tanks emphasized the importance of focusing the JCAP on key growth sectors, and underscored the importance of developing competitive human resources, physical infrastructure, and financial services that would encourage large-scale investments and increase entrepreneurship. Civil society organizations stressed the need for improvements in rule of law, transparency, and accountability, while GPH agencies "identified areas for improvement within their respective sectors. The Secretary of Finance indicated that improving governance and expanding fiscal space were central to the Aquino administration's programs. Ultimately, regulatory quality, rule of law and anti-corruption, and fiscal performance were chosen as the JCAP focus areas (Finding 1.5), largely reflecting the findings of the CA.

CA Influence on the Range of PFG Activity Selection

Finding 3.4: The findings of the CA helped determine the range of JCAP focus areas. As a result, many sectors and thematic areas that could be regarded as essential to the inclusiveness, sustainability, and resilience of economic growth were not included in the JCAP or included only partially. Among them were health care, education, science and technology, infrastructure, environmental protection, and disaster management.⁵⁶ These were priorities for the Philippine Development Plan 2011-2016 (GPH 2011) and, during stakeholder consultations on priorities for the JCAP, some stakeholders suggested the JCAP also cover them (Finding 3.3). Furthermore, the USG had been giving assistance to the Philippines for many years and had considerable earmarked funds for projects in these sectors and thematic areas. Nevertheless, they were not included in the JCAP or were included only partially because they were not directly related to the binding constraints to economic growth the CA identified.

Finding 3.5: Both the CA and subsequent JCAP were gender-neutral in their perspective. The CA and JCAP did not address gender-related issues in the Philippines for three reasons. First, gender-based disparities are relatively small in the Philippines.⁵⁷ Second, USAID requires that gender equality and female empowerment be integrated into USG-supported activities, so gender-based disparities were expected to be (and were indeed) addressed within the PFG framework at the activity level. Third, the CA did not examine factors affecting the inclusiveness of growth and, thus, did not examine causes of gender disparities. Since the CA and the JCAP were gender-neutral, women's organizations were not specifically targeted during stakeholder consultations on the CA and JCAP.

The CA as a Component of the PFG Approach

Finding 3.6: Many PFG stakeholders regarded the CA as useful to PFG. Interviewees mentioned three ways in which the CA was useful to PFG. First, the CA helped the USG gain GPH buy-

⁵⁶ Education, science, and technology were partially included in the JCAP thematic area labeled *regulatory quality*. Subsequently, a number of USG-supported activities in education and health were included in the PFG framework under the TSC on Human Capital Development (UPecon Foundation, 2019).

⁵⁷ The World Economic Forum ranked the Philippines 8th of 68 countries in its Global Gender Gap Index 2011 and 8th of 149 countries in its Global Gender Gap Index 2018 (World Economic Forum 2011 and 2018).

in of PFG because a joint USG-GPH team conducted the CA in close consultation with the USG, and the CA was widely considered to be rigorous. Second, the CA was useful in choosing the JCAP focus areas. Finally, as an interviewee noted, the CA helped ensure that the priorities chosen for the JCAP were “taken seriously by all involved parties.”

Finding 3.7: The scope of the CA was too narrow, given PFG’s goal. Although PFG’s goal was to help the Philippines move to a higher, sustained, and more inclusive growth trajectory, the CA focused only on constraints to private investment and entrepreneurship (Finding 1.2). Unlike the ADB’s 2007 country diagnostic study, the PFG CA did not properly analyze constraints to the inclusiveness of growth. It considered human capital only as a factor affecting private investment and entrepreneurship but not as a major determinant of the return on labor and the inclusiveness of growth. The CA did not examine causes of poverty and inequality (e.g., income inequality within the total population, inequality in opportunities, income among various regions).⁵⁸ Nor did it examine the environmental sustainability of growth. Interviewees mentioned a variety of other factors that were, in their view, important to sustainable and inclusive economic growth but were not considered in the CA.

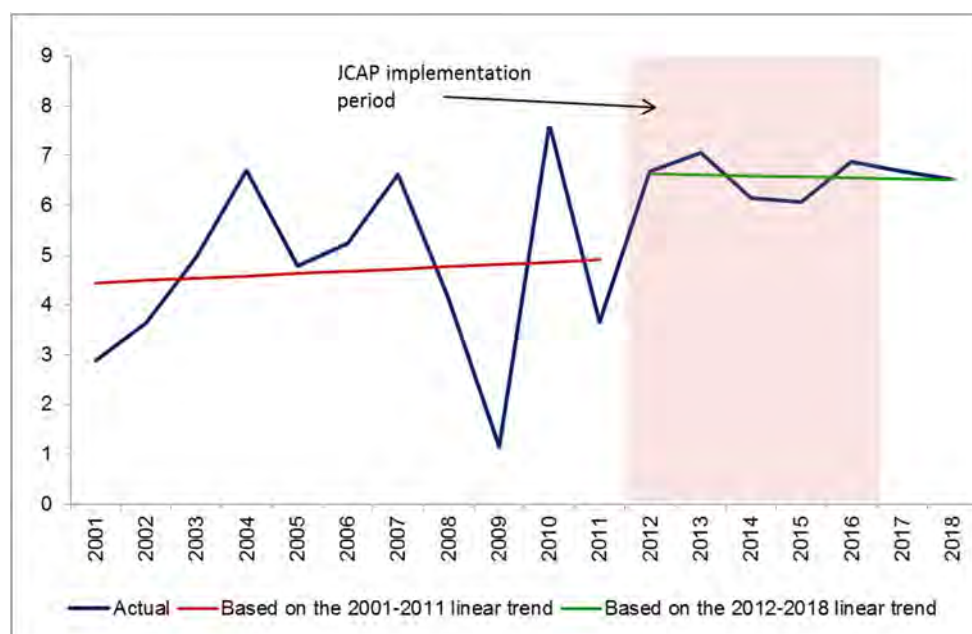
Finding 3.8: The CA and/or the JCAP were intended to undergo review before the conclusion of PFG but did not. The JCAP was intended to be “flexible” and should have been “reviewed annually, in order to make on-course correction and adjustment” in implementation (USG and GPH 2011). Despite this, it was neither reviewed nor adjusted during implementation.

There were at least two reasons to review and update the CA and JCAP. First, the Philippines’ economy appears to have moved to a higher and more stable growth path in 2012. The annual growth rate of its real GDP was substantially higher on average and more stable since 2012 than in the previous decade (Figure 1). Elements of the critical constraints to economic growth the CA identified were apparently alleviated, and some other constraints may have become binding. Indeed, according to several interviewees, lack of human capital became a critical constraint to economic growth during implementation of the JCAP.⁵⁹ Second, the GPH updated its development plan in 2015. Notably, it broadened the goal of the development plan to include not only rapid and sustained economic growth, massive quality employment creation, and poverty reduction, but also equal development opportunities and sustainable and climate-resilient environment (GPH 2015). Several interviewees told the evaluation team that the JCAP was difficult to update because it was approved by ministers of foreign affairs.

⁵⁸ According to data from the World Bank’s World Development Indicators database, the incidence of poverty and the level of inequality in the Philippines are among the highest in Southeast Asia.

⁵⁹ This was mentioned as the reason why the USG-supported education and health activities were included in the PFG framework and a TSC on Human Capital Development was set up several years after the JCAP’s approval.

FIGURE 1: % GROWTH RATE OF REAL GDP IN THE PHILIPPINES, 2001-2018



Source: International Monetary Fund's World Economic Outlook database and the evaluation team's computations

EQ3 Conclusions

- The CA was appropriate for PFG. A well-designed, properly conducted, and up-to-date CA was needed to lay the groundwork for PFG.
- The CA was conducted properly, but its scope was too narrow given PFG's overall goal. The CA effectively focused on binding constraints to the pace of economic growth, while PFG's overall goal was to help the Philippines achieve higher, sustained, and more inclusive economic growth.
- The JCAP focus areas were not selected properly. The findings of the CA effectively determined the choice of the focus areas of the JCAP. As a result, several sectors and thematic areas that were essential to the inclusiveness, sustainability, and resilience of growth were not included in the JCAP or included only partially. Among them were the areas that were GPH priorities and in which USG had comparative strengths and earmarked funds. This explains, at least partly, why more than half of USG development assistance to the Philippines was outside the PFG framework (Finding 1.4).
- Some implicit assumptions related to the CA should have been revisited above the activity level. In particular, aspects of PFG that were perceived to be relatively gender neutral for the purposes of the CA and the subsequent JCAP were not subject to reconsideration or confirmation over time.
- Although economic transformations in the Philippines prompted some review regarding the continued relevance of the binding constraints identified in the CA relative to the Philippines' transforming economy, that was not reflected in a revisit or revision of the JCAP.⁶⁰

⁶⁰ Of course, the effort required for the portfolio- and activity-level contractual adjustments needed to implement responsive changes in the constraints over short periods may not have ultimately justified direct revisions to the JCAP. Ultimately, a longer-term and more flexible JCAP and implementing mechanism could have enabled this, though it is not clear if that provides any advantage over a series of shorter and more rigid JCAPs.

RECOMMENDATIONS

Although PFG has ended, it provides several useful lessons for the USG approach to development, particularly in the Philippines. To make the most of the lessons learned from the PFG approach, the evaluation team recommends that several aspects of the PFG approach be incorporated into the broader USG development practice.

- Every five to six years, the USG should conduct, in close collaboration with the GPH, a joint diagnostic study or studies to identify the areas in which GPH development priorities and USG priorities in providing development assistance overlap. The choice of an appropriate methodology/framework/scope for the diagnostic study is very important.
- The USG should develop, in close collaboration with the GPH and in consultation with other stakeholders, a joint action plan to pursue, in partnership, the overlapping priorities.
 - Ensure that the focus areas of the joint action plan are based on the joint diagnostic study (or studies), are fully aligned with GPH development priorities, consider the USG's comparative strengths and assistance provided by other development partners, and are sufficiently broad to cover as much USG development assistance to the Philippines as possible.
 - Have the joint action plan approved at a level that makes it easier to modify or update as needed or build in a mechanism that makes it possible to modify or amend individual sections without convening at the highest levels.
 - Align, as much as possible, USG development assistance with the joint action plan.
 - Establish, jointly with the GPH, an adequately funded and staffed secretariat for implementing the joint action plan.
 - Establish, together with the GPH, a steering committee that consists of senior officials of relevant GPH and USG agencies and oversees the implementation of the joint action plan.
 - Ensure that the joint action plan has a results framework from the onset and establish a monitoring unit within the secretariat.
 - Align the results frameworks of activities under the joint action plan with the plan's results framework.
- The USG should ensure that future development assistance to the Philippines focus more on capacity building, including GPH capacity building.
- USAID should pay adequate attention to sustainability of capacity building when designing and implementing development projects.

ANNEXES

Annex A: Evaluation Statement of Work

Final Performance Evaluations of the Partnership for Growth in El Salvador, the Philippines, Ghana, and Tanzania

I. Background on the PFG

The Partnership for Growth (PFG) seeks to leverage United States government (USG) resources in support of a shared development program delivering accelerated, sustained, and broad-based economic growth in partner countries. It involves rigorous joint analysis to identify constraints to growth, the development of Joint Country Action Plans (JCAPs)⁶¹ to address these constraints, and high-level mutual accountability for implementation. PFG employs a ‘whole-of-government’ approach that includes USAID, the U.S. Department of State (State), the Millennium Challenge Corporation (MCC), and other USG agencies, as well as host country governments. Currently, PFG is being implemented in four partner countries: El Salvador, the Philippines, Ghana, and Tanzania.

In November 2011, the USG and the Government of El Salvador (GOES) signed a JCAP that targeted two primary constraints to economic growth in El Salvador, 1) Crime and Insecurity, and 2) Low Productivity in Tradables, and established 20 goals aimed at easing those constraints. Each goal is associated with multiple lines of action (LOAs) to be undertaken by the GOES and the USG. It is believed that carrying out the agreed-upon LOAs will lead to goal achievement, which, in turn, will mitigate the effects of currently binding constraints and accelerate and sustain El Salvador’s rate of broad-based, inclusive economic growth. The JCAP process continued with the signing of a Joint Statement of Principles in the Philippines in November 2011, a Joint Statement of Principles in Ghana in March 2012, and a JCAP in Tanzania in April 2012. PFG activities in El Salvador will be the first to conclude, in late 2016, followed by the Philippines. Tanzania will conclude in early 2017, and (due to an initial delay in implementation) Ghana will be finished in early 2018.

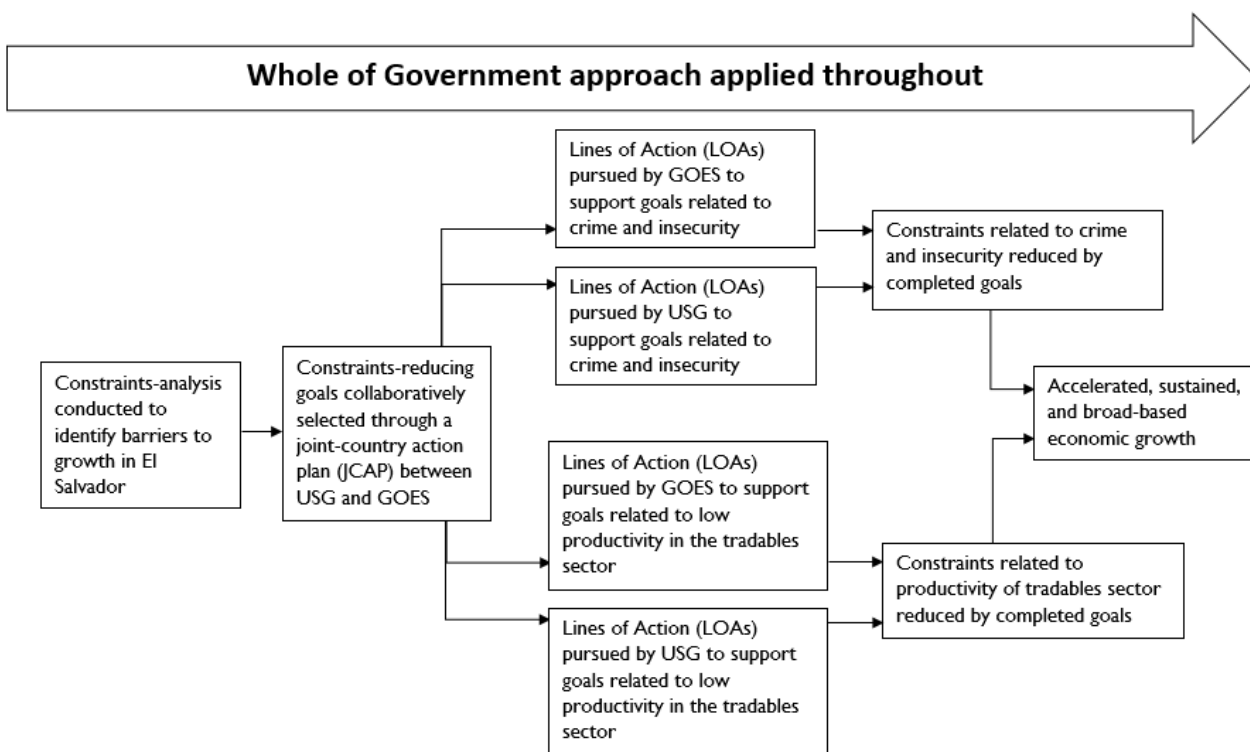
2. Development Hypothesis

PFG embodies the principles set down in the September 2010 Presidential Policy Directive on Global Development. The initiative is based on a shared commitment to implementing the key institutional and regulatory reforms required for unleashing private investment. One of PFG’s signature objectives is to engage governments, the private sector, and civil society with a broad range of tools to unlock new sources of investment, including domestic resources and foreign direct investment. By improving coordination, leveraging private investment, and focusing political commitment throughout both governments, PFG enables partners to achieve better development results.

Figure I shows an illustrative theory of change (ToC) diagram for PFG in El Salvador. This diagram shows the processes and resulting activities that make up the PFG approach, beginning on the left side with a constraints analysis that leads to the countries collaboratively selecting goals and then identifying LOAs to be pursued through a JCAP, to support key goals that are intended to address identified constraints that impede accelerated, sustained, and broad-based economic growth. The evaluation team will review and consider the relevant ToC throughout the design and implementation of each country-specific evaluation.

⁶¹ In Ghana, a similar “Joint Statement of Principles” was signed instead of a JCAP.

Figure 1: Sample Theory of Change showing PFG Objectives in El Salvador



3. Existing Information Sources

The Office of Economic Policy in USAID’s Bureau for Economic Growth, Education, and the Environment (USAID/E3/EP) has shared PFG mid-term evaluation reports for all four countries as well as two evaluation synthesis reports with the evaluation team. These documents, along with Constraints Analyses, JCAPs, and current project scorecards for all of the PFG countries are publicly available on the website of the U.S. State Department,⁶² the websites of the U.S. Embassies in all four countries, and in some cases, the website of the partner country government (e.g., GOES).

It is expected that USAID will need to provide the evaluation team with electronic copies of country-level programmatic data related to LOAs as well as activity-level documentation and data prior to the initiation of data collection activities. Other relevant documentation will be provided by USAID or acquired by the evaluation team based on its appropriateness to the proposed evaluation design. The evaluation team may also need to conduct interviews with senior USG and host-country leadership to acquire information on processes not reflected in programmatic documents.

4. Purpose, Intended Uses, and Audiences

As part of PFG’s commitment to analytical rigor and accountability, USAID is commissioning final performance evaluations of PFG in El Salvador, the Philippines, Tanzania, and Ghana. These country-specific evaluations will be carried out by a single mechanism (the E3 Analytics and Evaluation Project), with separate Statements of Work (SOWs) and Evaluation Design Proposals to be developed for each evaluation to ensure relevance for each country. Following the completion of all four country-specific

⁶² <http://www.state.gov/e/eb/ifa/odf/pfg/countries/>

evaluations, a synthesis report analyzing and comparing findings and lessons learned across the country-specific evaluations will be also be produced. The synthesis report will produce overall learning from the combined experiences of PFG implementation across all four countries.

Purpose and Intended Uses

With the PFG performance period coming to an end, final evaluations are needed to ensure that valuable experiences and lessons learned from PFG implementation can be utilized in future development efforts as well as in wider applications. USAID intends to learn whether PFG demonstrates improvements over pre-PFG engagement and assistance approaches; in particular, the extent to which PFG's whole-of-government engagement on policy issues, host country commitments and partnership through the JCAP, and the overall constraints analysis approach led to a change in the effectiveness of bilateral engagement and whether these changes demonstrated improvements in the operational efficiency, selection, coordination, design, and management of development and other activities, as well as interagency and bilateral coordination. And, did this ultimately increase the probability that efforts included in the JCAP achieved verifiable results leading to higher growth rates? The evaluations will especially aim to capture how PFG goes beyond assistance by focusing on partnership, bilateral engagement, and other non-traditional tools, and what effect this has had on the bilateral relationship, development, and other activities.

The PFG evaluations also satisfy accountability requirements by producing findings and conclusions about the effectiveness of PFG programming in meeting intended country-specific goals.

Audiences

The primary audiences for the PFG evaluations include decision makers across USAID/Washington, the four U.S. embassies and USAID country missions, State, MCC, and other USG agencies. Lessons learned will be of interest to a range of stakeholders including USAID staff, other USG agencies participating in PFG, relevant ministries and officials in each PFG country, other donors, civil society organizations, academia, and potential funding partners in the private and philanthropic sectors.

5. Evaluation Questions

1. What has been the overall impact⁶³ of PFG in the partner country, and how did the various lines of action contribute to this outcome?
2. How did the PFG approach affect the bilateral relationship – including USG and host government program implementation and dialogue – in each partner country, both in intended and unintended ways?
3. What best practices and lessons can be learned from the PFG approach to: 1) apply to the bilateral relationship in the partner country, and 2) apply to future USG assistance efforts worldwide?

Prior to the finalization of the Evaluation Design Proposal, USAID and the evaluation team will discuss the relative prioritization of these EQs.

6. Gender and Youth Considerations

In the context of USAID guidance and policies, including its Gender Equality and Female Empowerment Policy and Automated Directives Systems (ADS) 203.3.1.5, project designs, performance monitoring, and evaluations are expected to adequately address gender concerns. The specific ways in which gender

⁶³ The term “impact” is used here to refer to results that flow from specific interventions, but this is not an “impact evaluation” as USAID defines that term, which would require a counterfactual that demonstrates what would have occurred in the absence of the intervention.

will be considered for this evaluation should be addressed in the evaluation team's Concept Paper and Evaluation Design Proposals. It will be particularly important to consider how gender issues were accounted for in the JCAPs and LOAs, how the role of gender in broad-based economic growth was accounted for by the PFG approach, and how gender-differential access to the levers of economic progress is accounted for by PFG processes. Similarly, the evaluation team's Concept Paper and Evaluation Design Proposals should consider ways in which youth will be considered for this evaluation, given the identified constraints for PFG in each country. The data collection and analysis will be disaggregated by sex and age, as appropriate.

7. Evaluation Design and Methods

The evaluation team responding to this SOW shall submit an overarching PFG final performance evaluation Concept Paper describing design options for addressing USAID's evaluation questions across all four PFG countries, to ensure that findings and conclusions from these evaluations are evidence-based and relevant for the needs of key decision makers as identified in the previous section. The evaluation team will then develop an El Salvador-specific Evaluation Design Proposal, after options from the Concept Paper are discussed and selected. USAID expects that the El Salvador-specific Evaluation Design Proposal will be the first of four country-specific Evaluation Design Proposals, all of which are expected to follow a common rubric in responding to USAID's SOW for each country-specific evaluation. The Evaluation Design Proposal should clearly and logically discuss the selected design options and specify the proposed data collection and analysis methods as well as sampling plan appropriate for responding to the EQs, on a question-by-question basis.

The Concept Paper and each of the country-specific Evaluation Design Proposals should also address how data collection activities for each country will inform the multi-country synthesis report, comparing country context, results, and implementation across PFG countries to identify broad lessons learned.

8. Data Collection and Analysis Methods

The Evaluation Design Proposals should identify specific data collection and analysis methods appropriate for answering each EQ and clearly and logically explain why these methods are the most appropriate for each question. Proposed data analysis methods should be justified in terms of their fit with the data collected for each EQ and the types of answers that USAID seeks. Time and cost considerations are also important in this area.

9. Strengths and Limitations

Identification of the strengths and limitations of the proposed evaluation design options will be included in the Concept Paper, while country-specific strengths and limitations will be included in each Evaluation Design Proposal. When presenting data in its evaluation reports the evaluation team should discuss the limitations of such data for the relevant conclusions drawn by the evaluation.

10. Deliverables and Reporting Requirements

The Table below outlines a sequence of deliverables for the El Salvador PFG final performance evaluation. The same general sequence is envisioned for each of the other three country-specific evaluations, except for the Concept Paper that is only required to be submitted one time, at the outset of evaluation activities for El Salvador. The evaluation team should propose estimated due dates for deliverables for each country-specific evaluation in the respective Evaluation Design Proposal for that evaluation.

Deliverable – El Salvador	Estimated Due Date
1. Concept Paper, including preliminary design options for the PFG evaluations across all four countries	30 days after USAID approval of SOW
2. Evaluation Design Proposal for El Salvador, including description of the evaluation methodology, drafts of data collection instruments, sampling plan (as appropriate), work plan, team composition, and estimated budget	30 days after USAID approval to move forward with preparing Evaluation Design Proposal
3. In-brief for El Salvador Mission to launch in-country phase of evaluation	As agreed with USAID/E3/EP and appropriate Mission staff
4. Out-brief for El Salvador Mission prior to field team's departure (tentative)	As agreed with USAID/E3/EP and appropriate Mission staff
5. Draft Evaluation Report for El Salvador	To be proposed by the evaluation team in its Evaluation Design Proposal
6. Oral presentation(s) in Washington of findings, conclusions, and recommendations for USAID and its invitees	As agreed with USAID/E3/EP and appropriate Mission staff
7. Final Evaluation Report for El Salvador	21 days after receipt of USAID feedback on Draft Evaluation Report
8. Presentation in Washington of Final Evaluation Report for USAID and its invitees	As agreed with USAID/E3/EP and appropriate Mission staff

All documents will be provided electronically to USAID no later than the dates indicated in the approved Evaluation Design Proposal. Qualitative and quantitative data will be provided in electronic format to USAID in a format consistent with Automated Directives System (ADS) 579 requirements. All debriefs will include a formal presentation with slides delivered both electronically and in hard copy for all attendees.

Prior to the submission of the Evaluation Design Proposal, the evaluation team will discuss with USAID whether its preliminary dissemination plan for this evaluation indicates other deliverables that should be prepared, such as translation of specific documents and presentations into local language(s) and additional presentations or workshops. Such additions as agreed with USAID will then be included in each Evaluation Design Proposal.

II. Team Composition

Each evaluation will be delivered by a core evaluation team and may be supported by additional evaluation specialists, subject matter experts, in-country researchers, and project management specialists. The Evaluation Design Proposal will include proposed roles and team members for this evaluation, including CVs for core evaluation team members. Evaluation team members will sign USAID's conflict of interest statement before conducting any field research. Illustrative qualifications for evaluation team members are provided below.

- **Team Leader/Evaluation Specialist:** A Team Leader/Evaluation Specialist with extensive experience leading multi-disciplinary teams conducting field evaluations of medium- to large-sized activities will oversee the evaluation implementation process including field data collection, analysis, and report preparation. The Team Leader should have demonstrated knowledge and application of evaluation best practices as well as subject matter relevant to their evaluation (e.g., economic analysis, economic development, anti-corruption, energy). The Team Leader should hold at least a master's degree with at least 10 years of experience as an evaluation team leader or team member with experience in the country of interest strongly preferred. For the El Salvador PFG evaluation, the Team Leader should be fluent in Spanish.
- **Subject Matter Experts:** One or more Subject Matter Experts will provide technical expertise and guidance on the evaluation team on topics relevant to their evaluation, (e.g. the mobilization of

private sector and foreign direct investment or criminal justice reform in El Salvador). Preference should be given to host country nationals. They shall have familiarity with the relevant literature in their technical area and hold an advanced degree in a relevant field, with at least 5 years of experience in their technical sector including experience working on evaluation teams.

- **Researchers:** Researchers supporting the evaluation team's data collection and analysis efforts shall have a minimum of a Bachelor's Degree and at least three years of experience conducting research for evaluations or similar studies. They shall have excellent analytical and report writing skills and proven experience with carrying out semi-structured interviews.
- **Activity Coordinator:** An Activity Coordinator is expected to help coordinate, support, and oversee the evaluation team's efforts across the required tasks to ensure their successful completion. The Activity Coordinator should hold at least a bachelor's degree with at least two years of relevant research experience.
- **Local Logistician:** A Local Logistician may provide administrative and logistical support to the evaluation team, including arranging for transportation, communication, purchase of materials, completion of paperwork, and similar tasks during in-country research.

Additionally, one or more team members should have experience in evaluation methods that address gender and knowledge of gender issues in the relevant sectors.

Home Office support from the mechanism under which this evaluation will be conducted will include technical guidance, research assistance, administrative oversight, data analysis, and logistical support. Additional support staff may be required based on the specifications of each Evaluation Design Proposal.

12. USAID Participation

An interactive and collaborative process is envisioned between the evaluation team, USAID/E3/EP and other relevant offices within USAID/W, each USAID Mission, and the USG interagency to carry out this evaluation. This is expected to include regular consultation with key points of contact from USAID/E3/EP, as well as open lines of communication with the respective Mission. USAID participation in evaluation activities such as data collection will be considered prior to the initiation of field research in each country.

13. Schedule and Logistics

The PFG evaluations are tentatively expected to follow the following sequence:

El Salvador PFG evaluation begins	May 2016
Philippines PFG evaluation begins	January 2017
El Salvador PFG evaluation completed – draft report submitted	November 2016
Tanzania PFG evaluation begins	September 2017
Philippines PFG evaluation completed – draft report submitted	July 2017
Ghana PFG evaluation begins	TBD ⁶⁴
Tanzania PFG evaluation completed – draft report submitted	March 2017
Ghana PFG evaluation completed – draft report submitted	TBD
Cross-cutting PFG report completed	TBD

⁶⁴ Because PFG in Ghana does not conclude until February 2018, and the mid-term PFG evaluation for Ghana has only recently been completed, the timing of the Ghana evaluation (and the subsequent final cross-cutting evaluation report) will require additional consultation with USAID/E3/EP and USAID/Ghana.

Tasks for the El Salvador PFG final performance evaluation are expected to be completed between approximately May and December 2016. Detailed timelines for each main evaluation task will be proposed in the Evaluation Design Proposal for each country based on further consultation with USAID.

Figure 2 provides an illustrative Gantt chart for the El Salvador PFG final performance evaluation, showing the general anticipated timeline for this evaluation.

It is anticipated that the evaluation team will be responsible for procuring all logistical needs related to this SOW, such as work space, transportation, printing, translation, and any other forms of communication. USAID will offer some assistance as appropriate in providing introductions to partners and key stakeholders as needed, and will ensure the provision of data and supporting documents as required.

Figure 2: Illustrative Schedule for El Salvador PFG Final Performance Evaluation

Task	May		Jun		Jul		Aug		Sep		Oct		Nov		Dec	
	15	28	15	30	15	31	15	31	15	30	15	31	15	30	15	31
Preparation and Design																
Finalize SOW with USAID/E3/EP and El Salvador Mission																
GOES and USG Interagency Buy-in for SOW																
Develop Concept Paper																
Develop Evaluation Design Proposal																
Data Collection, Analysis, and Reporting																
Desk Review																
Mission In-brief on arrival																
Field Work Preparation and Field Work																
Out-brief to El Salvador Mission																
Data Analysis																
Draft Evaluation Report																
Presentation of Findings, Conclusions, and Recommendations																
Final Evaluation Report Based on Feedback Provided																
Presentation of Final Evaluation Report																

14. Reporting Requirements

The format of each evaluation report should follow USAID guidelines set forth in the USAID Evaluation Report Template (<http://usaidlearninglab.org/library/evaluation-report-template>) and the How-To Note on Preparing Evaluation Reports (<http://usaidlearninglab.org/library/how-note-preparing-evaluation-reports>). The reports will be submitted in English. Copies of the final evaluation reports will be delivered to the USAID Development Experience Clearinghouse (DEC) by the contractor within 30 days of USAID's acceptance of the final evaluation report and approval to post it on the DEC (<https://dec.usaid.gov/dec/home/Default.aspx>).

All members of the evaluation teams will be provided with USAID's mandatory statement of the evaluation standards they are expected to meet, shown in the text box below, along with USAID's conflict of interest statement that they sign where necessary before field work starts.

USAID EVALUATION POLICY, APPENDIX I CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT

- The evaluation report should represent a thoughtful, well-researched and well organized effort to objectively evaluate what worked in the project, what did not and why.
- Evaluation reports shall address all evaluation questions included in the scope of work.
- The evaluation report should include the scope of work as an annex. All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline need to be agreed upon in writing by the technical officer.
- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists, and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

Data Management

In October 2014, USAID [announced](#) its first ever open data policy, [Automated Directives System \(ADS\) 579 – USAID Development Data](#). The storage and transfer of data collected for this evaluation will adhere to the requirements laid out in USAID's ADS 579.⁶⁵ Evaluation teams should also follow applicable Institutional Review Board (IRB) guidance on data security and confidentiality. Final datasets should be submitted to USAID's Development Data Library in a format consistent with ADS 579.

15. Estimated Budget

In its Concept Paper, the evaluation team should identify cost implications of the methodological options described. Full detailed budgets considering costs required to complete all tasks for each PFG evaluation should then be prepared and included in each Evaluation Design Proposal for USAID's approval.

⁶⁵ See <http://www.usaid.gov/sites/default/files/documents/1868/579.pdf>

Annex B: Getting to Answers Matrix

EQ	Focus	Evidence Needed	Data Sources	Data Collection Methods	Data Analysis Methods
EQ1	PFG design and process	- Description - Comparison - Explanation	- KIs with stakeholder organization staff - PFG documents - PFG scorecards and other monitoring and evaluation data - Reporting data from PFG-related activities - PFG beneficiaries - Economic indicators	- KIs with USG and GPH personnel involved in cross-PFG management and government-to-government coordination to capture perceptions about the PFG approach and what changes it caused - KIs with selected PFG implementers and stakeholders - Desk review of project planning data and goal objectives	- Content analysis - Descriptive statistics
EQ2	PFG activity results and outcomes			- Desk review of activity performance data and reporting and goal outcome measures - Analysis of PFG results indicator and performance data - KIs with selected implementers and stakeholders	- Content analysis - Descriptive statistics
EQ3	Reflective of the CA process			- Incorporation of data from EQs 1 and 2 - KIs with selected designers, implementers, and stakeholders	Content analysis

Annex C: Data Collection Instruments

KII Protocol: USG Officials/USAID Mission Staff PFG

DATE: Day _____ Month _____ 2019

RESEARCHER NAME: _____

LOCATION/TIME: _____

PARTICIPANT NAME: _____

Respondent Gender: ☐ Male ☐ Female

START HERE:

-
1. Introduction **“Hello my name is _____ and I am an evaluation consultant for a company called MSI (Management Systems International)”**
2. Purpose MSI has been asked to conduct a final performance evaluation of the Partnership for Growth (PFG) in the Philippines.
- As you most likely know, the PFG is a distinct approach to providing development assistance that was employed by the United States Government (USG) in the four developing countries—namely, El Salvador, Ghana, Philippines and Tanzania—in 2011-2017.
- The PFG seeks to leverage USG resources in support of a shared development program delivering accelerated, sustained, and broad-based economic growth in a partner country. It involves joint analysis to identify constraints to growth, the development and implementation of a Joint Country Action Plan (JCAP) to address these constraints, and high-level mutual accountability for implementation. It is intended to entail a whole-of-government approach that includes the United States Agency for International Development (USAID), the U.S. Department of State, the Millennium Challenge Corporation and other USG agencies, as well as the government of the partner country.
- The PFG was implemented in the Philippines in 2011-2016. Joint constraint analysis (CA) was conducted in 2011. A Joint Country Action Plan (JCAP) was developed and approved in 2011 and implemented in 2012-2016. Following the change of administration in the Philippines in mid-2016, the PFG was replaced with the Partnership for Growth with Equity. While no new joint diagnostic study was conducted and no new joint action plan was developed for the Partnership for Growth with Equity, the governance structure of the PFG was retained and the implementation of most projects in the PFG portfolio continued.
- The evaluation we are conducting will help to ensure that valuable experiences and insights from the implementation of the PFG in the Philippines during 2011-2016 can be utilized in future development efforts, and that the accomplishments and lessons from the PFG can be communicated to a wider audience.
- The evaluation hopes to better understand how the PFG approach differed from the US government’s prior approach to providing development assistance and how it affected bilateral cooperation between the USG and the Government of the Philippines (GPH). We would also like to learn whether the PFG affected the design, implementation, and outcomes of the projects that were conducted under its framework.
- We are meeting with you because of your familiarity with the implementation of the PFG in the Philippines. Because our goal is to learn from both the positive and negative outcomes and effects of PFG, we ask that you be as honest as possible in your responses. If you wish some or all of your comments to be anonymous, please let us know and we will ensure that your name and identifying characteristic will not be associated with those comments.

3. Interview Process “Today I will ask you some simple questions about your experiences and views”
“The interview should take us about **50-60 minutes**”

4. CONSENT “Before we start with introductions and interview questions, **we are required to ask for your consent**”

- You have the right to not participate, this is completely voluntary
- You have the right to stop at any point
- If there is anything you do not understand, please ask me to clarify”
- You have the right to decline to answer any question
- The information you provide is only for our evaluation and your responses will be protected. The information will be grouped so no one can be identified

CONSENT “Do we have your **consent for an interview?**”

☐ **YES** ☐ **NO**

SECTION I – BACKGROUND

Interviewee Name:

Current organization:

Title:

- I. What role or roles did you play in the implementation of the PFG in the Philippines? **[Possible prompts are given below. Multiple responses are possible]**
- Was a member of the team that conducted the CA;
 - Was involved in the drafting of the JCAP;
 - Played a leadership/supervisory role in the preparation of the CA and/or the JCAP;
 - Was a member of the Steering Committee of the PFG (now the Steering Committee of the Partnership for Growth with Equity);
 - Was a member of one of the PFG technical working groups;
 - Was involved in the monitoring of the implementation of the PFG;
 - Was involved in the designing of a project or projects included in the PFG portfolio. **[Please indicate the title of the project (the titles of the projects)]⁶⁶**
 - Was (and, possibly, is still involved) in the implementation of a project or projects included in the PFG portfolio. **[Please indicate the title of the project (the titles of the projects)]⁶⁷**

⁶⁶ Make a reference to this project (these projects) in Questions 25 and 28.

⁶⁷ Make a reference to this project (these projects) in Questions 26-28 and 31.

SECTION 2 – EQI, EQIa and EQIb

2. Are you able to answer a few questions on how the PFG Philippines approach was different from the previous USG approach to providing development assistance to the PHI? [If yes, go to Question 3. If not, go to Section 3]
3. Did the previous USG approach to providing development assistance to the PHI involve a diagnostic study? If so, how did the CA under the PFG approach differ from the diagnostic study conducted under the previous approach?
4. Did the previous USG approach to providing development assistance to the PHI involve a joint USG-GPH strategy? If so, how did the JCAP under the PFG approach differ from the joint strategy under the previous approach?
5. To what extent did PFG Philippines involve the use of a broad range of tools, including catalytic policy change, institutional reform, diplomatic engagement, and other ‘non-assistance’ policy tools?⁶⁸ Was the PFG different in this regard from the previous USG approach to providing development assistance to the PHI?
6. To what extent did PFG Philippines identify and address gender-related issues in the PHI? How different in this regard was the PFG from the previous USG approach to providing development assistance to the PHI?
7. How was the implementation of PFG managed in the PHI? To what extent did that implementation entail transparency, mutual accountability and fact-based monitoring and evaluation? How different in these regards was the PFG from the previous USG approach to providing development assistance to the PHI?
8. In what other ways did PFG Philippines differ from the previous USG approach to providing development assistance to the PHI?
9. How were the differences between the PFG and the previous USG approach to providing development assistance to the PHI reflected in bilateral cooperation and communication between the USG and the GPH?
10. How were the differences between the PFG and the previous USG approach to providing development assistance to the PHI reflected in cooperation and communication between the USG agencies active under the PFG framework? If the PFG had an impact on cooperation and communication between the USG agencies, was the impact at the leadership level different from that at the working level?
11. How were the differences between the PFG and the previous USG approach to providing development assistance to the PHI reflected in cooperation and communication within the USG agencies active under the PFG framework?

⁶⁸ “Non-assistance” refers to forms of aid and assistance that do not require explicit funding.

12. To what extent did PFG Philippines entail a whole-of-government approach?⁶⁹

SECTION 3 – EQ3 and EQ3a

13. Are you able to answer a few questions concerning the CA and the choice of the constraints focus areas for the PFG? *[If yes, go to Question 14. If not, go to Section 4]*
14. Was the CA conducted by an integrated team of USG and GPH officials?
15. In your view, was the CA rigorous and evidence-based?
16. Was there an effort to incorporate inclusiveness and sustainability of growth into the CA? If yes, how? If not, why not?
17. Was the CA followed by broad consultation and dialogue on findings? If yes, did that include any consultation and dialogue with women's organizations?
18. Do you think that CA was appropriate for the overall PFG approach? If yes, why? If not, would another type of diagnostic study would have been appropriate and why?
19. When the focus areas outlined in the PFG JCAP were selected, how did the participating stakeholders take into account their operational viability, the USG's comparative strengths in providing development assistance, and assistance provided by other development partners?
20. Were consultations held with women's organizations when the focus areas were selected for the PFG JCAP?
21. Do you know why the JCAP did not explicitly address gender issues?
22. Were the CA and the PFG focus areas updated to reflect significant changes in the PHI's growth performance? If yes, how and when? If no, why not?
23. Do you know when, why and how human capital development was made a PFG focus area?
24. Do you think that, on the whole, the CA and the selection of the PFG focus areas were made properly? If not, what were the consequences?
25. All in all, how useful, in your view, was the CA to the PFG approach?

SECTION 4 – EQ2

26. Are you able to answer a few questions on how the PFG influenced the design, implementation and outcomes of the projects in the PFG portfolio? *[If yes, go to Question 27. If not, go to Section 5]*

⁶⁹ A “whole-of-government approach” is the use of resources and expertise from multiple government agencies and offices to address mutually relevant problems.

27. Did the PFG approach (in particular, the CA and the JCAP) influence the selection and design (in particular, the components and expected results) of the projects in the PFG portfolio? If yes, how?
28. Did the PFG approach (in particular, its implementation arrangements) influence the implementation of the projects in the PFG portfolio?⁷⁰ If yes, how?
29. Did the PFG approach influence the development outcomes of the projects in the PFG portfolio?⁷¹ If yes, how?
30. Did the PFG influence the gender-related aspects of the design, implementation and outcomes of the projects in the PFG portfolio? If so, how?

SECTION 5 – EQ2a

31. Are you able to answer a few questions about the usefulness of the PFG in strengthening GPH capacity? [If yes, go to Question 32. If not, go to Section 6]
32. Do you think that GPH capacity improved during 2011-2016? [If yes, go to Question 33. If not, go to Question 34]
33. Did the projects in the PFG portfolio contribute to the improvement of GPH capacity during 2011-2016? If yes, how and to what extent was it due to the PFG approach? If not, why?
34. Do you think any factors counteracted the (possible) positive impact of the PFG on GPH capacity? If yes, which factors?

SECTION 6 – CONCLUSION

35. If PFG could be redesigned and/or re-implemented, what changes would you propose in light of what you now know?
36. Is there anyone else at your organization or a partner organization who you think would have useful insights for this evaluation?
 - a) Thank the respondent for his/her time.
 - b) Tell the respondent that he/she is welcome to contact you to ask questions at a later date if he/she wishes.

⁷⁰ The implementation arrangements for the PFG included a joint USG-GPH Steering Committee and several joint USG-GPH technical working groups.

⁷¹ The PFG might have influenced the development outcomes of the projects in the PFG portfolio through several channels, including through its impacts on the allocation of USG resources to various thematic areas and projects, the design and implementation of the projects in the PFG portfolio, and communication and cooperation between the USG and the GPH and between various USG agencies active under the PFG framework.

KII Protocol: GPH Officials

DATE: Day _____ Month _____ 2019

RESEARCHER NAME: _____

LOCATION/TIME: _____

PARTICIPANT NAME: _____

Respondent Gender: ☐ Male ☐ Female

START HERE:

-
5. Introduction **“Hello my name is _____ and I am an evaluation consultant for a company called MSI (Management Systems International)”**
6. Purpose MSI has been asked to conduct a final performance evaluation of the Partnership for Growth (PFG) in the Philippines.
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7. Interview Process “Today I will ask you some simple questions about your experiences and views”

“The interview should take us about **50-60 minutes**”

8. CONSENT “Before we start with introductions and interview questions, **we are required to ask for your consent**”

- You have the right to not participate, this is completely voluntary
- You have the right to stop at any point
- If there is anything you do not understand, please ask me to clarify”
- You have the right to decline to answer any question
- The information you provide is only for our evaluation and your responses will be protected. The information will be grouped so no one can be identified

CONSENT “Do we have your **consent for an interview?**”

☐ **YES** ☐ **NO**

SECTION 1 – BACKGROUND

Interviewee Name:

Current organization:

Title:

1. What role or roles did you play in the implementation of the PFG in the Philippines? **[Possible prompts are given below. Multiple responses are possible]**
 - Was a member of the team that conducted the CA;
 - Was involved in the drafting of the JCAP;
 - Played a leadership/supervisory role in the preparation of the CA and/or the JCAP;
 - Was a member of the Steering Committee of the PFG (now the Steering Committee of the Partnership for Growth with Equity);
 - Was a member of one of the PFG technical working groups.

SECTION 2 – EQ1, EQ1a and EQ1b

2. Are you able to answer a few questions on how the PFG approach was different from the previous USG approach to providing development assistance to the PHI? **[If yes, go to Question 3. If not, go to Section 3]**
3. In what ways did PFG Philippines differ from the previous USG approach to providing development assistance to the PHI? **[Possible prompts are given below]**
 - The PFG involved a joint diagnostic study—namely, the CA;
 - The PFG involved a joint USG-GPH strategy—namely, the JCAP;
 - The PFG involved a steering committee and technical working groups that consisted of USG and GPH officials;

- The PFG involved the use of a broader range of tools, including catalytic policy change, institutional reform, diplomatic engagement, and other ‘non-assistance’⁷² policy tools;
 - The implementation of the PHI entailed greater transparency, mutual accountability and fact-based monitoring and evaluation.
4. How were the differences between the PFG and the previous USG approach to providing development assistance to the PHI reflected in bilateral cooperation and communication between the USG and the GPH?
 5. To what extent, in your view, did the PFG entail a whole-of-government approach?⁷³

SECTION 3 – EQ3

6. Are you able to answer a few questions concerning the CA and the choice of the focus areas for the PFG? [If yes, go to Question 7. If not, go to Section 4]
7. Was the CA conducted by an integrated team of USG and GPH officials?
8. In your view, was the CA rigorous and evidence-based?
9. Was there an effort to incorporate inclusiveness and sustainability of growth into the CA? If yes, how? If not, why not?
10. Was the CA followed by broad consultation and dialogue on findings? If yes, did that include any consultation with women's organizations?
11. Do you think that CA was appropriate for the overall PFG approach? If yes, why? If not, would another type of diagnostic study would have been appropriate and why?
12. When the focus areas outlined in the PFG JCAP were selected, how did the participating stakeholders take into account their operational viability, the USG's comparative strengths in providing development assistance, and assistance provided by other development partners?
13. Were consultations held with women's organizations when the PFG focus areas were selected?
14. Do you know why the JCAP did not explicitly address gender issues?
15. Were the CA and the PFG focus areas updated to reflect significant changes in the PHI's growth performance? If yes, how and when? If no, why not?
16. Do you know when, why and how human capital development was made a PFG focus area?
17. Do you think that, on the whole, the CA and the selection of the PFG focus areas were made properly? If not, what were the consequences?
18. All in all, how useful, in your view, was the CA to the PFG approach?

⁷² “Non-assistance” refers to forms of aid and assistance that do not require explicit funding.

⁷³ A “whole of government approach” is the use of resources and expertise from multiple government agencies and offices to address mutually relevant problems.

SECTION 4 – EQ2

19. Are you able to answer a few questions on how the PFG influenced the design, implementation and outcomes of the projects in the PFG portfolio? [\[If yes, go to Question 20. If not, go to Section 5\]](#)
20. Did the PFG approach (in particular, the CA and the JCAP) influence the selection and design (in particular, the components and expected results) of the projects in the PFG portfolio? If yes, how?
21. Did the PFG approach (in particular, its implementation arrangements) influence the implementation of the projects in the PFG portfolio?⁷⁴ If yes, how?
22. Did the PFG approach influence the development outcomes of the projects in the PFG portfolio?⁷⁵ If yes, how?
23. Did the PFG influence the gender-related aspects of the design, implementation and outcomes of the projects in the PFG portfolio? If so, how?

SECTION 5 – EQ2a

24. Are you able to answer a few questions about the usefulness of the PFG in strengthening GPH capacity? [\[If yes, go to Question 25. If not, go to Section 6\]](#)
25. Do you think that GPH capacity improved during 2011-2016? [\[If yes, go to Question 26. If not, go to Question 27\]](#)
26. Did the projects in the PFG portfolio contribute to the improvement of GPH capacity during 2011-2016? If yes, how and to what extent was it due to the PFG approach? If not, why?
27. Do you think any factors counteracted the (possible) positive impact of the PFG on GPH capacity? If yes, which factors?

SECTION 6 – CONCLUSION

37. If PFG could be redesigned and/or re-implemented, what changes would you propose in light of what you now know?
38. Is there anyone else at your organization or a partner organization who you think would have useful insights for this evaluation?
 - a) Thank the respondent for his/her time.

Tell the respondent that he/she is welcome to contact you to ask questions at a later date if he/she wishes.

⁷⁴ The implementation arrangements for the PFG included a joint USG-GPH Steering Committee and several joint USG-GPH technical working groups.

⁷⁵ The PFG might have influenced the development outcomes of the projects in the PFG portfolio through several channels, including through its impacts on the allocation of USG resources to various thematic areas and projects, the design and implementation of the projects in the PFG portfolio, and communication and cooperation between the USG and the GPH and between various USG agencies active under the PFG framework.

KII Protocol: Contractors/Implementers

DATE: Day _____ Month _____ 2019

RESEARCHER NAME: _____

LOCATION/TIME: _____

PARTICIPANT NAME: _____

Respondent Gender: ☐ Male ☐ Female

START HERE:

-
- | | |
|-----------------|---|
| 1. Introduction | “Hello my name is _____ and I am an evaluation consultant for a company called MSI (Management Systems International)” |
| 2. Purpose | <p>MSI has been asked to conduct a final performance evaluation of the Partnership for Growth (PFG) in the Philippines.</p> <p>As you most likely know, the PFG is a distinct approach to providing development assistance that was employed by the United States Government (USG) in the four developing countries—namely, El Salvador, Ghana, Philippines and Tanzania—in 2011-2017.</p> <p>The PFG seeks to leverage USG resources in support of a shared development program delivering accelerated, sustained, and broad-based economic growth in a partner country. It involves joint analysis to identify constraints to growth, the development and implementation of a Joint Country Action Plan (JCAP) to address these constraints, and high-level mutual accountability for implementation. It is intended to entail a whole-of-government approach that includes the United States Agency for International Development (USAID), the U.S. Department of State, the Millennium Challenge Corporation and other USG agencies, as well as the government of the partner country.</p> <p>The PFG was implemented in the Philippines in 2011-2016. Joint constraint analysis (CA) was conducted in 2011 and a Joint Country Action Plan (JCAP) was developed and approved in 2011 and implemented in 2012-2016. Following the change of administration in the Philippines in mid-2016, the PFG was replaced with the Partnership for Growth with Equity. While no new joint diagnostic study was conducted and no new joint action plan was developed for the Partnership for Growth with Equity, the governance structure of the PFG was retained and the implementation of most projects in the PFG portfolio continued.</p> <p>The evaluation we are conducting will help to ensure that valuable experiences and insights from the implementation of the PFG in the Philippines during 2011-2016 can be utilized in future development efforts, and that the accomplishments and lessons from the PFG can be communicated to a wider audience.</p> <p>The evaluation hopes to better understand how the PFG approach differed from the US government’s prior approach to providing development assistance and how it affected bilateral cooperation between the USG and the Government of the Philippines (GPH). We would also like to learn whether the PFG affected the design, implementation, and outcomes of the projects that were conducted under its framework.</p> <p>We are meeting with you because of your familiarity with the implementation of the PFG in the Philippines. Because our goal is to learn from both the positive and negative outcomes and effects of PFG, we ask that you be as honest as possible in your responses. If you wish some or all of your comments to be anonymous, please let us know and we will ensure that your name and identifying characteristic will not be associated with those comments.</p> |

3. Interview Process “Today I will ask you some simple questions about your experiences and views”
“The interview should take us about **50-60 minutes**”
4. CONSENT “Before we start with introductions and interview questions, **we are required to ask for your consent**”
- You have the right to not participate, this is completely voluntary
 - You have the right to stop at any point
 - If there is anything you do not understand, please ask me to clarify”
 - You have the right to decline to answer any question
 - The information you provide is only for our evaluation and your responses will be protected. The information will be grouped so no one can be identified
- CONSENT “Do we have your **consent for an interview?**”
☐ **YES** ☐ **NO**
-

SECTION 1 – BACKGROUND

Interviewee Name:

Current organization:

Title:

1. What role or roles did you play in the implementation of the PFG in the Philippines?⁷⁶

SECTION 2 – EQ2

2. Are you able to answer a few questions on how the PFG influenced the implementation and outcomes of the projects in the PFG portfolio? **[If yes, go to Question 3. If not, go to Section 3]**
3. Did the PFG approach (in particular, the CA and the JCAP) influence the selection and design (in particular, the components and expected results) of the projects in the PFG portfolio? If yes, how?
4. Did the PFG approach (in particular, its implementation arrangements) influence the implementation of the projects in the PFG portfolio?⁷⁷ If yes, how?
5. Did the PFG approach influence the development outcomes of the projects in the PFG portfolio?⁷⁸ If yes, how?

⁷⁶ If the respondent was involved in the implementation of one or several projects in the PFG portfolio, make a reference to this project (these projects) in Questions 2-5 and 8.

⁷⁷ The implementation arrangements for the PFG included a joint USG-GPH Steering Committee and several joint USG-GPH technical working groups.

⁷⁸ The PFG might have influenced the development outcomes of the projects in the PFG portfolio through several channels, including through its impacts on the allocation of USG resources to various thematic areas and projects, the design and implementation of the projects in the PFG portfolio and on communication and cooperation between the USG and the GPH and between various USG agencies active under the PFG framework.

6. Did the PFG influence the gender-related aspects of the design, implementation and outcomes of the projects in the PFG portfolio? If so, how?

SECTION 3 – EQ2a

7. Are you able to answer a few questions about the usefulness of the PFG in strengthening GPH capacity? **[If yes, go to Question 8. If not, go to Section 4]**
8. Do you think that GPH capacity improved during 2011-2016? **[If yes, go to Question 9. If not, go to Question 9]**
9. Did the projects in the PFG portfolio contribute to the improvement of GPH capacity during 2011-2016? If yes, how and to what extent was it due to the PFG approach? If not, why?
10. Do you think any factors counteracted the (possible) positive impact of the PFG on GPH capacity? If yes, which factors?

SECTION 4 – CONCLUSION

11. If PFG could be redesigned and/or re-implemented, what changes would you propose in light of what you now know?
12. Is there anyone else at your organization or a partner organization who you think would have useful insights for this evaluation?
 - a) Thank the respondent for his/her time.
 - b) Tell the respondent that he/she is welcome to contact you to ask questions at a later date if he/she wishes.

Annex D: Documents Reviewed

PFG Philippines Base Documents

- Partnership for Growth Organizational Chart.docx
- Partnership for Growth Scorecard 14 April 2014 concurred by NEDA.docx
- Partnership for Growth Scorecard 14 April 2014 with PFG Projects Notes.docx
- PFG - PH Joint Statement of Principles.docx
- PFG Constraint Analysis (June 2, 2011) Philippines.pdf
- PFG Philippines JCAP (November 2011).pdf
- TOR Philippines Final.doc
- U S -Philippines PFG Joint Statement of Principles signed copy.pdf
- USAID Philippines Performance Management Plan 2012-2016 - Redacted.pdf
- USAID-Philippines Country Development Cooperation Strategy 2012-2016.pdf
- USAID's PHI Country Development Cooperation Strategy 2013-2019
- PHILIPPINES PFG Results Framework.docx
- Examples of USAID's PFG Accomplishments as of May 2014.docx
- USAID Web Page on PFG in PHI
- Mid-Term Evaluation Report (February 2015)
- PFG Performance Review, Volume I (Draft as of May-18, 2018)
- PFG Performance Review, Volume II
- Scope of Work for Final Evaluation of PFG (2018)
- PFG Philippines Final Evaluation Scoping Trip Report (August 30, 2018)
- PFG Steering Committee and Technical sub-committee documents
 - o Minutes of First Steering Committee Meeting (April 23, 2012)
 - o Minutes of Second Steering Committee Meeting (October 25, 2012)
 - o Minutes of Third Steering Committee Meeting (August 5, 2013)
 - o Highlights Fourth STEERING COMMITTEE MEETING (03 August 2015)
 - o Highlights of Fifth Steering Committee Meeting (11 April 2016)
 - o MINUTES OF THE FIRST MEETING OF THE TECHNICAL SUB-COMMITTEE (TSC) ON REGULATORY QUALITY (05 July 2012)
 - o MINUTES OF THE SECOND MEETING OF THE TSC ON REGULATORY QUALITY (13 August 2012)
 - o MINUTES OF THE Third MEETING OF THE TSC ON REGULATORY QUALITY (03 July 2013)
 - o Highlights for Preparatory Meeting for Fifth Meeting of the TSC on Regulatory Quality (18 Feb 2016)
 - o MINUTES OF THE Fifth MEETING OF THE TSC ON REGULATORY QUALITY (18 Feb 2016)
 - o Highlights of First Meeting of TSC on Rule of Law (5 July 2012)
 - o Highlights of Second Meeting of TSC on Rule of Law (25 July 2013)
 - o Highlights of Third Meeting of TSC on Rule of Law (3 March 2016)
 - o Highlights of Fourth Meeting of TSC on Rule of Law (20 June 2016)
 - o Minutes of First Meeting of the TSC on Fiscal Space (21 June 2012)
 - o Minutes of Second Meeting of the TSC on Fiscal Space (2 March 2016)
 - o Minutes of First Meeting of the TSC on Human Capital Development (03 February 2016)

Basa Philippines

- USAID Fact Sheet about Basa Pilipinas Program
- Basa Pilipinas Program Final Report (July 2018)

COMPETE

- Advancing Philippine Competitiveness (COMPETE) DRAFT M&E Plan.docx
- Advancing Philippine Competitiveness (COMPETE) Oct-Dec 2013 Quarterly Report.pdf
- Advancing Philippine Competitiveness (COMPETE) Year 1 Annual Report.pdf
- Advancing Philippine Competitiveness (COMPETE) Year 4 Annual Report.pdf (2016)
- USAID Fact Sheet about COMPETE Project
- PHI DTI Summary Information about COMPETE Project
- SOW for COMPETE Project

FPI

- Facilitating Public Investment - Annual Work Plan Year 1 2014.pdf
- Facilitating Public Investment - DRAFT M&E Plan.docx
- Facilitating Public Investment - Statement of Work.docx
- USAID Fact Sheet about FPI Project
- DAI Summary Information about FPI Project

HEPP

- Higher Education and Productivity Project (HEPP) Work plan.docx
- USAID Fact Sheet about HEP Project

i3

- (i3) Jan-March 2014 Progress Report.pdf
- i3 CPAR version 23 April 2014 (sent to Deloitte for CPAR uploading).docx
- i3 ME Plan APPROVED (22 Aug 2014).docx
- Integrity for Investments Initiative (i3) Statement of Work.pdf
- Integrity for Investments Initiative (i3) Workplan Year 1.pdf
- USAID Fact Sheet about i3 Project
- SOW for i3 Project
- i3 Project Y5 Annual Report (October 2017)

INVEST

- INVEST Jan-March 2014 Report.pdf
- INVEST M&E Plan.pdf
- INVEST Revisions to Option Year.pdf
- INVEST SOW.pdf
- USAID Fact Sheet about INVEST Project
- INVEST-Oct-Dec 2013 Quarterly Report.pdf

JUSTICE

- JUSTICE - Q2 FY2014 Quarterly Report.pdf

- JUSTICE - Year 1 workplan.pdf
- JUSTICE - Year 2 workplan.pdf
- JUSTICE-Annual Report FY 2013.pdf
- JUSTICE-draft M&E Plan.pdf
- JUSTICE-Statement of Work.pdf

PHIL-AM

- America in 3D.pdf
- Phil-Am Fund - draft M&E Plan.pdf
- Phil-Am Fund - Quarterly Progress Report Jan-Mar2014.pdf
- PhilAm Fund DRAFT M&E Plan.pdf
- Phil-Am Fund Annual Work Plan.pdf

RARP

- MCC Summary Information about RARP Project
- Summary Assessment of Results of RARP Project
- USAID's Report on RARP Project

SIMM

- Annexes
- Progress Reports
 - o SIMM 7th Quarterly Progress Report 01302014_FINAL.pdf
 - o SIMM 8th Quarterly Progress Report 043014.pdf
 - o SIMM Annual Progress Report_09302013.pdf
- Fact Sheet about SIMM Project
- SIMM Project Performance Management Plan (PMP) REVISED_12202012.pdf
- SIMM Work Plan Year 1_Revised_08.03.12_APPROVED.pdf
- SIMM Work Plan Year 2 Final for Approval 03252013.pdf

STRIDE

- STRIDE - Annual Work Plan.pdf
- STRIDE - draft M&E Plan.pdf
- STRIDE First Quarterly and First Annual Report October 2013.pdf
- STRIDE Quarterly Report Jan 2014 v2.0 FINAL.pdf
- STRIDE SOW.pdf
- USAID Fact Sheet about STRIDE Project

SURGE

- USAID Fact Sheet about SURGE Project

The Arangkada Philippines Project (TAPP)

- SOW for TAPP Project
- Arangkada Project Summary.pdf
- USAID Fact Sheet about TAPP Project

TFCA

- Tropical Forest Conservation Act (TFCA) of 1998 Debt Conversion - Briefer.pdf

TRADE

- TRADE - DRAFT M&E Plan.docx
- TRADE - DRAFT M&E Plan 2
- DAI Summary Information about TRADE Project
- SOW for TRADE Project
- TRADE Jan-Mar 2014 Report.pdf
- TRADE Quarterly Jan-Mar 2014.pdf
- USAID Fact Sheet about TRADE Project

U.S. Treasury

- US Treasury Workplan.pdf

USAID

- US Country Assistance Strategy for PHI 2009-2013
- USAID ADS Chapter 201: Program Cycle Operational Policy
- USAID Journey to Self-Reliance Country Roadmaps Portal

Other Documents

- ADB constraints analysis.pdf
- Fdn for Econ Freedom - Calixto 2014 07 03 KENMORE.docx
- GPH - National Gvt Cash Ops Report.pdf

Annex E: Key Informants Interviewed

Name	Category	Organization
Atty. Renelie B. Mayuga	USG	Supreme Court of the Philippines
Dr. Joy Abrancia Josefina Esguerra Lorelie (Lie) de Dios Ricky de Guzman Ammielou Gaduena	Implementer	UP Econ Foundation
Victoria P. Garchitorena	Implementer	Gerry Roxas Foundation, PhilAm Fund (former)
Robert LaMont	USG	American Bar Association
Ryan Evangelista	USG	USAID
Raymond Estioko	GPH	Bankgo Sentral ng Pilipinas
Gerardo Porta	USG	USAID
John Forbes	USG	American Chamber of Commerce
Eugenio M. Gonzales	Implementer	Gerry Roxas Foundation and PhilAm Fund
Jioselito Armovit	Implementer	DAI
Orville Solon	Implementer	UP Econ Foundation
Jansen Mayor	USG	MCC
Dennis Russell Baldago	GPH	Office of the Ombudsman
Dr. Enrico Basilio	Implementer	Nathan Associates
Richard Abendan	Implementer	RTI
Mamerto Tagonan	Implementer	Development Alternatives, Inc.
Deputy Mission Director Patrick Wesner, and representatives from the Program Office and the Office of Economic Development and Democracy and Governance	USG	USAID
Alex Kitain	Implementer	DAI
Ma. Paz de Sagun	USG	USAID
Princess Shimmadar Manaois-Battung	USG	USAID
Mr. Mir Tillah	USG	USAID
John Avila,	USG	USAID
Mercy Rla Orca	USG	USAID
Philip S. Goldberg	USG	U.S. Embassy
Lydia R. Guevarra	GPH	DTI
Adrian S. Cristobal Jr.	GPH	DTI
Ceferino Rodolfo	GPH	DTI
John Avila	USG	USAID
Greg Alling	Implementer	Nathan Associates
Pia Bernadette Roman-Tayag	GPH	Philippines Central Bank
Ms, Ma, Edita Tan	GPH	Department of Finance
Rommel Herrera	GPH	DOF
Mylene Pastoral	GPH	NEDA

Name	Category	Organization
Ofelia Templo	Implementer	Orient Integrated Development Consultants, Inc
Hazel Baliatan	GPH	NEDA
Director Lawrence Hardy II, plus representatives from the Program Office and the Office of Economic Development and Democracy and Governance	USG	USAID
Dany Khy	USG	USAID
David Whiting	USG	US Department of State
Gil Dy-Liacco	USG	USAID
Burak Inanc	USG	MCC
Prior PFG Interviews Consulted		
Eric Postel	USG	USAID (former)
Gayle Smith	USG	USAID (former)
Gloria Steele	USG	USAID
Arsenio Balisacan	GPH	Philippine Competition Commission and NEDA (Former)
Caesar Purisma	GPH	Department of Finance
Dr. Dante Canlas	GPH	UP School of Economics
Lynne Gadkowski	USG	U.S. DOS

Annex F: Documents Referenced in this Report

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- Chemonics International Inc. 2017. *USAID/e-Peso Activity—Third Annual Report*. Manila.
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- USG. 2012. *Statement on the President’s Meeting with President Aquino of the Philippines*. The White House. Office of the Press Secretary. June 08 Available at <https://obamawhitehouse.archives.gov/the-press-office/2012/06/08/statement-president-s-meeting-president-aquino-philippines>
- USG. 2009. *Country Assistance Strategy for the Philippines 2009-2013*. Washington, D.C.
- USG and GPH. 2011. *Partnership for Growth—Joint Country Action Plan 2012-2016*. [Provided by the USAID/Philippines]
- World Economic Forum. 2011. *The Global Gender Gap Report 2011*. Geneva.
- World Economic Forum. 2018. *The Global Gender Gap Report 2018*. Geneva

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