

# profile



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## Country Strategy and Programme Evaluation Republic of the Philippines

Since 1978, IFAD has supported 15 investment projects in the Philippines for a total project cost of US\$771.5 million, of which IFAD financed US\$243.7 million through loans and grants and the Government and beneficiaries cofinanced US\$234.1 million. Over the past decade, the Philippines has experienced steady economic growth and is now classified as a lower-middle-income country. However, it is a shared view that poverty – in particular in rural areas – has persisted, and that further efforts are needed for broader-based and inclusive growth.

IFAD's portfolio in the Philippines has been a mix of area-based projects with multi-sectoral components based on a participatory approach, and those with a sectoral focus such as microenterprise development, irrigation and natural resource management, and with wider geographical coverage. The main target group has included upland farmers, indigenous peoples, agrarian reform beneficiaries and fisher folk. IFAD established its country presence in 2009.

This is the first Country Strategy and Programme Evaluation (CSPE) in the Philippines conducted by the Independent Office of Evaluation of IFAD (IOE). The CSPE assessed the IFAD-Government partnership pursued under the two country strategies of 1999 and 2009, including seven loans that became effective between 2003 and 2015 totalling US\$154 million. The CSPE has two main objectives: (i) to assess the results and performance of the IFAD-financed strategy and programme; and (ii) to

generate findings and recommendations for the future partnership between IFAD and the Philippines. The findings and recommendations from this CSPE will inform the preparation of the IFAD's new country strategy, scheduled for submission in 2017.

### Main evaluation findings

The evaluation finds that there are a range of noteworthy and visible achievements in the lending portfolio, particularly in relation to irrigated agriculture, rural infrastructure, participatory development processes, and contribution to a conducive environment to support microenterprise development. The Philippines portfolio has been strong in promoting gender equality and women's empowerment. The prospect of sustainability of benefits generated is favourable mainly due to the overall supportive policy, legislative and institutional framework.

At the same time, overall portfolio progress and the potential to achieve more have been held back mainly by delays in project processing and implementation. While the portfolio was in general aligned with national plans and IFAD's strategic frameworks, there were some weaknesses in project design, including insufficient clarity on the target group and targeting strategy. A number of projects relied on working through beneficiaries' groups, but the roles of such groups – for example, whether they should be expected to be collectively engaged in economic activities over a long term – were not always clear, with the exception of irrigators' associations. Monitoring and evaluation under-performed at the project level in terms of generating findings about outcomes and presenting critical issues informed by evidence-based analysis.

Beyond and broader than the lending portfolio, there are significant achievements and exemplary practices in the country programme, particularly knowledge management platforms, good linkages between loan-financed and grant-financed projects, and support to "convergence" of different initiatives and government partners. These successes played to the strengths in the Philippines society: close interaction and sharing of implementation experiences among projects and diverse partners reflect a relatively strong civil society sector, good communications and well educated middle managers. The role of IFAD's country office has been instrumental in facilitating these activities.

On the other hand, while collaboration with government agencies has been good, there was less engagement with other international development agencies. The original objectives for policy dialogue in the country strategy were overambitious, and knowledge management was more about activities, tools and techniques than results and lessons with implications on broader strategic and policy issues. It is vital to upgrade evidence-based analysis and learning that can be fed into policy engagement processes and scaling up of successful interventions and impact. The attention to the value added beyond financing investment projects has become even more relevant as IFAD seeks to find ways to engage with middle-income countries such as the Philippines.

## THE PHILIPPINES AT A GLANCE

Population: **100,7 million (2015)**

Rural population: **56 millions (2015)**

Gross domestic product growth: **5.8% (2015)**

Poverty head count ratio (% of population): **13.1% (2012)**

Life expectancy at birth: **68.27 (2014)**

IFAD lending approved since 1978: **US\$241.9 million**

Number of IFAD loans approved since 1978: **15**

Human development index: **0.668 (ranked 115th out of 188)**

Sources: *United Nations Development Programme; World Bank.*

## Key recommendations

- **Carefully reflect on IFAD's comparative advantage relative to the country's needs in the new country strategy.** The areas of IFAD's comparative advantage may be in terms of the target group (e.g. indigenous peoples, fisher folks) and/or thematic areas with a clear pro-poor orientation (e.g. land tenure issues), with a view to generating knowledge and lessons to inform investments by the Government and other partners for scaling up. The strategy should also discuss the opportunities for diverse types of support, apart from investment financing – for example, reimbursable technical assistance and facilitating knowledge-sharing with other countries.
- **Enhance diagnostic analysis of the potential target group and targeting.** There should be a good-quality diagnosis of different groups within the potential target population, a differentiated approach to reach them, and monitoring of the outreach, beneficiary profiles and targeting performance. Issues of food security and equity should be more strongly built into targeting. In addition, a more strategic approach to increasing the intensity of investment in targeted locations should be pursued in order to enhance the likelihood of palpable impacts.
- **Strengthen leverage for policy engagement by improving the quality of knowledge and evidence.** Building on generally good performance in knowledge management, an implementation strategy should be developed to improve the quality of evidence from monitoring and evaluation across the portfolio as a whole. Project designs should be accompanied by clear theories of change and should plan for analytical work and evaluations. In addition, the IFAD country office should be provided with financial and human resources to increase support to national policy and strategy issues.
- **Strengthen partnerships with development partners in the rural sector to support the new Government.** Good performance to date in working with government agencies, research organizations and civil society should be expanded to other development partners. Opportunities should be sought to develop schemes with the private sector to help support value chain investments by farmers.

### Further information:

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