



## STRATEGY FOR THE NEW ZEALAND DEVELOPMENT COOPERATION PROGRAMME WITH PHILIPPINES 2003/04 – 2007/08

### 1 FOREWORD

*Nga Hoe Tuputupu-mai-tawhiti* – the paddles of growth from afar – is the Maori name given to the New Zealand Agency for International Development (NZAID). This name reflects New Zealand's Pacific heritage and the partnership principles around which the agency's operations are based. In the context of the New Zealand development cooperation programme with the Government of the Philippines (GOP), the metaphor of *Nga Hoe Tuputupu* conveys the sense that NZAID is just one 'paddle/*bwenarina*' by which the Government and people of the Philippines can achieve their own development; the power and steerage of the 'canoe/*te wa*' can come only from the Philippines itself.

### 2 COUNTRY OVERVIEW

2.1 The Republic of the Philippines comprises over 7,000 islands with a total land area of more than 300,000 square kilometres. Its population is estimated at 80 million and includes more than 100 ethno-linguistic groups. These are indigenous peoples, who together with a Muslim cultural minority in Mindanao comprise around 17 per cent of the population. The religion of the majority is Christian, principally Catholic.

2.2 The Philippines is a democracy, with democratic and legal systems inherited from the United States. This includes a directly elected and strong Presidency and an independent judiciary. The Presidential 'winner takes all' electoral system affects all layers of government to the smallest elected unit at *barangay* (village) level. When the administration changes (this is possible every six years) the more senior officials in local, provincial, and central government, are replaced. Considerable decentralisation has occurred to provincial and local (Local Government Unit) levels. There are also two autonomous regions: the Cordillera Autonomous Region (CAR) and the Autonomous Region of Muslim Mindanao (ARMM). Churches and a very broad range of NGOs and People's Organisations (POs) fulfil important roles, including advocacy and program delivery.

### 3 POVERTY ANALYSIS

3.1 The Philippines ranks 85<sup>th</sup> in the 2003 Human Development Index released by UNDP (77<sup>th</sup> in the 2002 HDI). Basic development indicators are reasonable, and the Philippines' GNP per capita was US\$945 in 2001. The incidence of poverty is now estimated at 34 per cent of population or 26.5 million people (with these figures increasing in recent years). For the rural population, the incidence of poverty is almost 48.8 % (18.6% for the urban populace). There are very substantial regional variations in poverty. The incidence of poor families varies from under 8 % for the National Capital Region (Metro Manila) and 20.9 % (Central Luzon) to 56.2 % for Bicol (southern Luzon) and 62.9 % for ARMM. Other relatively impoverished regions are the rest of Mindanao and Eastern and Western Visayas. The conflict and broader security situation in parts of Mindanao has adversely impacted on the prevalence of poverty

and work to address development needs. Regardless of overall regional data, there are pockets of severe poverty in all regions and cities.

3.2 Some poverty relevant indicators are becoming more critical: eg school enrolment and retention statistics are deteriorating and some health services are less accessible. The causes of poverty are numerous and interrelated, but major contributors (in addition to the above noted conflict situation in Mindanao) include: high dependence on agriculture where productivity has been declining and per capita income growth is low; under investment in rural infrastructure; substantial rural underemployment; lack of adequate social safety nets, especially for women and children; variable quality of education system; continued high population growth rate (2.3 per cent per annum); considerable inequality of access to land ownership and use; fluctuations in non agricultural export volumes and various issues related to the quality and accountability of governance (eg revenue collection, inefficiencies in government and corruption). Within this framework, indigenous peoples, including the Muslim minority have social indicators generally below the national average, particularly low income levels and are frequently confronted with outsiders' encroachment on and commercial exploitation of ancestral land.

## **4 PHILIPPINES GOVERNMENT POLICIES AND PRIORITIES**

4.1 The **current Medium -Term Philippine Development Plan (MTPDP) covers 2001 – 2004**. It sets out the poverty reduction and development vision of the current Macapagal-Arroyo Presidency and outlines the broad policies and strategies to achieve this. The formulation of these Plans are the responsibility of the National Economic and Development Authority (NEDA). The Goal of the current MTPDP is: Alleviate Poverty within the Decade and Bring Prosperity within Reach of Every Filipino. It contains four major areas of focus:

- Macroeconomic Stability and Equitable Growth based on Free Enterprise;
- Agriculture and Fisheries Modernization with Social Equity;
- Comprehensive Human Development and Protecting the Vulnerable;
- Good Governance and the Rule of Law.

4.2 Under the areas of focus, the MTPDP lists a set of policies and strategies. Under Macroeconomic Stability and Equitable Growth, key priorities include full employment, stable exchange rates and low inflation; and under Agriculture and Fisheries Modernization, key priorities include accelerated agrarian reform, improved rural infrastructure and ensuring the sustainable use of natural resources. Human Development and Protecting the Vulnerable priorities include accelerated asset reform and enhanced education, health and housing services (including basic) and the particular needs of such groups as indigenous peoples and the urban poor. Good Governance and Rule of Law priorities include improved transparency, eliminating corruption, inefficiency and abuse in government, strengthened partnerships with civil society and private sector and peace and development in Mindanao. The MTPDP includes a set of specific targets.

4.3 Below the MTPDP are Regional Development Plans which cover current regional performance, priorities and targets and major programs (and which help feed into the MTPDP and coordinate programs in the region). Local Development Plans cover local priorities, strategies and targets - both the programs of LGUs and national level agencies.

4.4 The MTPDP is supported by a **Medium - Term Philippine Investment Program (MTPIP)**. This lists proposed programs and projects identified by national

government agencies which draw on the MTPDP over a three year period of the Plan (with costs and timelines). The **Development Budget and Coordinating Committee (DBCC)** recommends overall levels for annual government expenditure, including for development expenditure (and sets ceilings for different categories within this). It subsequently considers the various proposals from government agencies and related entities before developing the annual **National Expenditure Program (NEP)** which is considered by Congress. DBCC members comprise NEDA, Department of Finance (DOF), Department of Budget Management (DBM) and Bangko Sentral.

4.5 The current Presidency has launched a broad, nation wide government initiative which seek to address poverty issues. This is Kapit-Bisig Laban sa Kahirapan, or **Kalahi** (there is a separate program for ARMM). It is focused on particularly poor communities in poorer areas, and helps to meet needs across a very broad range of development areas. Kalahi enhances policy integration between agencies and links this to actual service planning and delivery, and undertakes the coordination of actual programmes in close partnership with agencies.

4.6 **Donor context:** NEDA holds primary responsibility for development assistance coordination in the Philippines. The Philippines receives development assistance (concessional loans, and to a lesser extent, grants) from a wide variety of sources. Particularly prominent is the assistance received from Japan. Other important partners include US, Australia, Canada, Germany, Netherlands, World Bank, ADB and EC. The UN system is also active. The New Zealand programme comprises around 0.5 % of total grant assistance. A significant policy and coordination forum are the regular Consultative Group (CG) meetings. In addition, there are formal, regular consultations and informal dialogue between the Philippines and individual donors, and a range of donor working groups.

## 5 NZAID POLICIES AND PRIORITIES

5.1 NZAID has a core geographical focus on the Pacific region. South-east Asia represents the next most important focus of NZAID. NZAID strategies and policies reflect the agency's long-term commitment to working with partners and the international community to achieve the Millennium Development Goals.

5.2 The NZAID policy framework summary is as follows:

**Vision.** A safe and just world free of poverty

**Mission.** Eliminating poverty through development partnerships

**Strategic outcomes.** NZAID seeks through its development partnerships

- Fulfilment of basic needs
- Sustainable livelihoods
- Sustainable and equitable development
- Safe, just and inclusive societies

**Poverty elimination** is NZAID's central focus. This includes:

- Extreme poverty – an inability to meet basic needs
- Poverty of opportunity – where opportunities to participate in economic, social, civil and political life are seriously limited

- Vulnerability to poverty – where individuals, communities and countries are particularly vulnerable to circumstances likely to damage their livelihoods, their ability to meet basic needs or their ability to participate actively in economic, social, civil and political life.

5.3 NZAID programmes and activities are guided by various **operating principles**. These are relevant to all aspects of the New Zealand - Philippines development cooperation programme. Of paramount relevance are:

**(a) Strategic approach to poverty elimination:** a strategic and outcome – focused approach in its operations, ensuring that poverty elimination is central to partnership building, planning and implementation.

**(b) Partnership:** a relationship based on mutual trust, openness, respect and mutual accountability.

**(c) Protecting and Promoting Human Rights:** a commitment to protecting and promoting fundamental human rights - civil, political, economic, social and cultural - as set out in the Universal Declaration of Human Rights and the core international human rights treaties.

**(d) Sustainability:** a commitment to ensuring and assessing the sustainability of development outcomes over time.

**(e) Equity:** a commitment to achieving equitable development benefits for women and men, girls and boys.

**(f) Participation:** recognises the right of women, men, girls and boys to participate in decision-making and other processes which affect their lives, including a commitment to self-identification of the causes and consequences of poverty.

**(g) Coordination:** donors must coordinate their development assistance in ways which allow the Philippines to own, control and achieve its development goals and priorities.

5.4 The **foundation for this strategy is a comprehensive, independent Strategy Review undertaken during 2002/03** by a team of New Zealand and Philippines contractors. The team consulted extensively with NZAID, contractors and other stakeholders in New Zealand, and a very broad range of government agencies, NGOs, other bilateral and multilateral donors and academics in the Philippines. The review recommended a programme focused around three strategic themes - resource management, indigenous people and governance - with a number of interventions under each theme. In addition there would be several “cross-cutting” programmes related to these themes to assist delivery, including a more targeted New Zealand based education and training programme. These priorities were arrived at via a mix of considerations, including Philippines needs and priorities, direct links to poverty alleviation, the existence of strong local partners and the ability to draw on specific New Zealand skills and experience.

## 6 PROGRAMME GOAL

The goal of the New Zealand development cooperation programme with the Philippines from 2003/04 to 2007/08 is to contribute to the efforts of the Government of the Philippines (GOP) and people to achieve poverty elimination through equitable and sustainable social and economic development.

This goal is supported by three programme thematic objectives, four cross cutting programmes and approaches, an interim programme approach, and a set of operational strategies. These priorities serve to focus the programme on areas of shared priority for the GOP and NZAID.

## **7 CROSS CUTTING THEMES**

The following themes will be reflected, as appropriate, in each of the objectives and activities listed below:

- Application of international human rights standards and obligations, including gender equity and the rights of young people, in the Philippines context;
- Sustainability, including environmental;
- Strengthening and maximum utilisation of local capacity.

## **8 MODES OF DELIVERY - INTRODUCTION**

8.1 The programme will adopt an approach that would involve more extensive use of a range of delivery modes, other than through central government, across the thematic objectives. Utilising the specific capabilities and other strengths of agencies present in the Philippines (local government, NGO, multilateral) will maximise the efficient use of the NZAID country allocation and help make interventions more effective and results orientated. NZAID and GOP will consult over the need for, and nature of, project agreements (eg. Exchange of Letters) as required on a case by case basis.

8.2 One potential delivery mode involves the use of Management Services Consultants (MSCs) contracted by NZAID - where MSCs are employed, NZAID and the GOP will consult and agree on the assessment criteria used in the tender process (including the relative importance of representation in the Philippines). In any instances where a New Zealand or other non - Philippines contractor (ie international) is used (eg due to the specialised skills required), it will be a contractual requirement that there would be a substantial, gradually increasing Philippines role in the MSC team and in the use of sub consultancy expertise.

8.3 NZAID and on some occasions the Philippines (using funds provided by NZAID) will contract expertise to undertake a range of short term work, including work related to design, feasibility, appraisal, specialised technical advice, audit, review and monitoring. This relates to work under the larger, long term interventions, human resource development and small grants.

8.4 In the case of NZAID contracted expertise, NZAID and the Philippines will consult about whether to confine work to contractors resident in the Philippines (the preferred option), or whether to utilise New Zealand and international expertise. The final decision on this would be made by NZAID. New Zealand and international expertise would be used in some instances of design appraisals, mid term review/monitoring visits to long term interventions, and ex project evaluations. Expertise would be sourced via tendering, use of period contractors and on occasion, a "no tender" process in accordance with NZAID contracting guidelines.

8.5 In the case of Philippines contracted expertise, expertise would be sourced in accordance with national Government procurement and quality guidelines, subject to any NZAID approvals as sought.

## 9 PROGRAMME THEMATIC OBJECTIVES

**9.1 Thematic Objective 1 (Resource Management): to support natural resource management activities which seek to redress environmental degradation and achieve sustainable livelihoods at the community level.**

**a) Components:** NZAID will seek to support two major long term interventions under this thematic objective. Subject to the outcome of the design study, one of these will be the Camiguin Coastal Resources Management Programme (CCRMP). NZAID and the GOP are considering the focus of the second intervention - one option is continued work in ecotourism after the conclusion of the current Ecotourism project (June 2004). A modest MSC managed continuing links project in Ecotourism would be appropriate, if the second intervention is developed in another area. Under this theme, there will be further interventions: the long term Bukidnon Forests Inc (BFI) sustainable plantation forestry project has been completed, but the programme could consider funding for a handful of very specific, short term inputs. NZAID will also continue to have involvement with the Bukidnon Forests Community Development Foundation (BFICDF). The BFICDF will primarily focus on the needs of communities affected by BFI through the provision of scholarships and utilisation of lower value wood materials available from BFI's harvest operations. Post project evaluations of the Ecotourism and BFI projects will be undertaken during the duration of the Strategy.

**b) Modes of Delivery:** The Camiguin coastal management project is expected to be managed by an MSC with provision for a New Zealand sourced monitoring/review visit at the mid term phase. The second, major intervention would be managed by one of the following: Philippines central government agency, UN system agency or Philippines NGO (agency/NGO to be mutually agreed between NZAID and GOP). Monitoring/review inputs for both interventions would be contracted by NZAID and sourced at least in part from the Philippines.

**9.2 Thematic Objective 2 (Indigenous Peoples): to support activities which seek to provide enhanced development outcomes at the national and community levels for indigenous peoples, including the Muslim minority.** Particular emphases include, application of customary property rights and land tenure entitlements to development of ancestral domains for sustainable livelihoods, advocacy and institutional capacity building.

**a) Components:** NZAID will seek to support two long term interventions under this thematic objective. The current funding arrangement with UNDP (who are working with the National Commission on Indigenous Peoples: NCIP) concludes in March 2004. NZAID will seek to enter into a long term funding arrangement with UNDP, with provision for a New Zealand sourced monitoring/review visit at the mid term phase. NZAID will also seek to work in a more modest way, with one (mutually agreed) other agency active in this thematic area, with provision for monitoring/review at the mid term phase. Options are NCIP (in close association with UNDP), one or a number of LGUs, a Philippines NGO and UNICEF.

**b) Modes of Delivery:** these are expected to comprise Funding Arrangements with UNDP and another agency (NGO, etc).

**9.3 Thematic Objective 3 (Governance): to support activities which seek to enhance the quality and sustainability of governance.** Particular emphases include public sector reform at the national level, devolution and local government capacity building.

**a) Components:** NZAID will seek to support two long term interventions under this thematic objective. NZAID is currently working with the Department of Budget Management who are utilising an accountable cash grant and further, modest work is anticipated in this area. Feasibility work has been undertaken in the area of Local Government Unit management training and this should provide the basis for a modest long term project in the CARAGA region (Mindanao). This will be designed by a local contractor.

**b) Modes of Delivery:** continued support to the Department of Budget Management is anticipated to be in the form of cash grants in tranches subject to adequate acquittal and reporting requirements. The Local Government Unit (LGU) management training programme will be managed by NEDA CARAGA (counterpart agency), with a New Zealand based technical adviser contracted by NZAID. Monitoring/review inputs (particularly for the LGU programme) would be contracted by NZAID and probably sourced from the Philippines.

## **10 CROSS CUTTING PROGRAMMES AND APPROACHES**

### **10.1 Human Resource Development**

The bilateral programme will include a single Human Resources Development allocation to encompass all education/training work. This would comprise approximately 25 to 30 % of the country programme. Activity funded under the allocation would be focused around the three thematic objectives and every effort would be made to ensure tight coherence with these objectives. While study awards at the post graduate level is currently the single largest component of the HRD allocation, it is envisioned that over the period of the Strategy there is likely to be a gradual decrease in the proportion of the allocation spent on Study Awards in line with the global NZAID education policy. This will only be considered after the tracer study to assess the impact of past NZ study awards is undertaken and its findings considered by NZAID and GOP. NZAID and GOP will continue dialogue on the shape of the HRD component of the bilateral programme to help determine how best to optimise NZAID assistance in this sector.

**a) Components:** Study Awards (Masterate/Diploma) in New Zealand will continue to be part of the HRD programme. NZAID and the Philippines will work together to consider and introduce other activities (subject to quality requirements), including short term training in New Zealand (could be secondments or study tours) and potentially incountry and regional (ie in other ASEAN) study/training. A tracer study to assess the impact of past NZ awards holders is envisaged.

**b) Other:** NZAID maintains a comprehensive Study Awards Selection Policy which includes requirements linked to English language proficiency and age. The language requirements must be adhered to; every effort will be made to adhere to the provisions on age.

**10.2 Peace and Development Activities in Mindanao.** Support will be provided to the GOP/UN multi-donor programme for western/central Mindanao and for the proposed Multi-Donor Trust Fund. This would take the form of grant contribution payments to UNDP and World Bank, subject to adequate acquittals and reporting and to various quality issues being resolved. Under this heading, there will be a further "limited duration" intervention: NZAID currently supports the Tawi-tawi Community Based Enterprise Development Assistance Project (Year 1 of a planned 3 Year programme). This community project will continue to be managed by PBSP (corporate foundation) under a Funding Arrangement, subject to satisfactory monitoring.

### **10.3 Small Grants**

a) These would comprise approximately 9 to 12 % of the country programme. Interim support will continue for the two current small project type allocations: ie Small Projects Fund [SPF] and Short term Technical Assistance Programme [STTAP]. NZAID and the Philippines will work together to assess the scope for restructuring these allocations after the broader NZAID Contestable Funds Review is completed in 2003/04. A possible outcome is the disappearance of the STTAP (from July 2004) and its "incorporation" into an expanded, modified SPF, with appropriate criteria and procedures. SPF (and STTAP) proposals can emanate from central, regional, provincial and local government agencies, NGOs, POs, communities and multilateral organisations. Efforts will be made to support a smaller number of larger proposals.

b) NZAID and the Philippines will consider closely the merits of introducing a thematic and geographic focus to the SPF (and STTAP). This would involve largely focusing small grants around the three thematic objectives (with modest scope for other activities) and concentrating projects in a small number of mutually agreed provinces to facilitate assessment and monitoring (and linkages with long term interventions). These would be drawn from Cordillera Autonomous Region, Bicol, Mindanao, and Eastern and Western Visayas.

c) In recognition of the additional management burden this restructuring may entail, NZAID will look into the possibility of contracting out the monitoring responsibility for the programme.

### **10.4 Kalahi**

Kalahi will be used primarily as a potential source of policy advice and data, including on appropriate geographic areas of concentration. There will also be potential for the use of Kalahi as a coordination and delivery mechanism under small grants.

## **11 INTERIM PROGRAMME APPROACH**

11.1 It will be at least 2 years before the new programme strategy is fully in place in view of the necessary planning, consultative and design work and the need to complete current activities. In the interim, NZAID and Philippines will complete current work in areas which would not conform to the above priorities (ie assistance to help address issues of domestic violence).

11.2 The programme will also support a modest number of current or new, mutually agreed interim activities via the following delivery modes: Philippines central government agency, ADB or UN system agency and Philippines NGO. These would be short term interventions (preferably 2 years in duration). Interventions are required to adhere to the priorities of the MTPDP; the poverty elimination focus of, and strategic outcomes sought by, NZAID; and either the above thematic objectives or the sectors of priority in the pre 2003/04 programme (environment and conservation, governance/organisational development, education and training, social and community development). A current example of this approach is the support for UNICEF's work in the areas of health, basic education and child protection in Mountain Province (it may however be possible to develop a long term relationship with UNICEF under the Indigenous Peoples objective).

## **12 OPERATIONAL STRATEGIES**

12.1 In support of the programme objectives and approaches above, the following operational strategies will be pursued to enhance policy development; increase efficiency, effectiveness and impact; reduce the management and administrative burden on NZAID and Philippines; and contribute to sustainability.

**(a) Long-term Engagement.** NZAID will aim for an engagement with the agreed thematic and cross cutting priorities for periods of c 10 years. This length of engagement should increase the effectiveness, impact and sustainability of NZAID interventions. Within this framework, NZAID would prefer individual interventions of around 5 years in duration (and in some instances for longer periods) to ensure appropriate effectiveness and impact, enable manageable contracting and ensure that the programme responds to current national priorities.

**(b) Programme focus.** The NZAID programme will be tightly focused around the agreed thematic and cross cutting priorities and number of programmed interventions to facilitate the efficiency, effectiveness and impact of both delivery and monitoring and review. This also reflects the very modest scale of the NZAID programme in relation to total development assistance flows to the Philippines.

**(c) Complementarity.** Programme interventions will be integrated where possible to ensure that each is able to complement (some) other components.

**(d) Development Partners.** Appropriate partner organisations will normally be identified on the basis of their proven record (including in design, delivery and reporting), capability and capacity to contribute to the goal and objectives of the overall programme and relevant intervention.

**(e) Regional Focus.** Efforts will be made to focus NZAID interventions on a modest number of geographic regions to facilitate the efficiency, effectiveness and impact of delivery and monitoring/review. This would also build on the impact of past New Zealand supported activities. Provinces located within the Cordillera Autonomous Region and on Mindanao will be among the selected areas of concentration.

**(f) Linkages with Other NZAID Programmes.** Appropriate efforts will be made to enhance linkages (including information sharing) with regional and global NZAID programmes relevant to the Philippines (eg ADAF and VASS). The Embassy in Manila should be advised of all non-bilateral in country activities supported by NZAID.

**(g) Broader New Zealand Relationship.** It is recognised that the bilateral programme is one component within the broader New Zealand relationship with the Philippines. The latter includes linkages in the political, security and economic areas. Appropriate efforts will be made to ensure programme coherence with the other elements of the relationship.

**(h) Donor Coordination.** NZAID will support initiatives to maintain and enhance regular coordination between donors, within the framework of Philippines' development strategies and priorities. NZAID will also continue to develop its own relationships with other donors to contribute towards complementarity and the sharing of lessons and experience.

**(i) Monitoring, review and evaluation.** This will be an integral part of the NZAID programme. Provision shall be made for appropriate monitoring and review at the commencement of project implementation cycles, with local partners involved at all stages. Emphasis will be placed on the larger interventions, but small grants activities

will also be subject to appropriate field and desk monitoring. Key interventions where appropriate, will also be subject to post project evaluation.

**(j) Communication.** For all NZAID contracted consultants (local, New Zealand or international), reporting and debriefing links with the Embassy should be contractual obligations. It will be a requirement that ADAF and other non bilateral programmes ensure that the Embassy is advised of project implementation and outcomes.

**(k) Overplanning.** To help maximize the efficient use of the NZAID country allocation, the programme will include a modest overplanning element. This will essentially be based around the allocations for the major / interim [programme interventions, Mindanao Peace and Development and HRD](#). [It may however be necessary and also feasible on occasion for NZAID and GOP to consider an additional proposal drawn from the UN system, other multilateral agencies and NGOs active under one of the thematic objectives.](#)

## **13 MANAGEMENT OF THE PROGRAMME**

### **13.1 Government of Philippines (GOP)**

The Philippines Government, and in particular the National Economic and Development Authority (NEDA), but also other relevant agencies, will help assist in the identification of delivery agents and ensure that all aid-related government processes are efficient and effective. This includes the timely presentation of suitable nominations and proposals under the HRD allocation. Relevant line agencies will be responsible for the approval of project concepts and designs and delivery agents. Where appropriate, line agencies will participate in design and recruitment.

### **13.2 NZAID**

NZAID management of the programme will be the responsibility of both the New Zealand Embassy in Manila and the Philippines Programme Manager in Wellington. NZAID staff in both locations will endeavour to actively engage with the Philippines Government on broader policy and programme issues. Formal aid discussions (High Level Consultations) between the Philippines and NZAID (Embassy and Wellington based staff) will be held every 18 - 24 months.

#### **(a) Embassy, Manila**

The Embassy will be responsible for effectively representing NZAID on-the-ground; coordination and regular liaison with Philippines Government and other representatives of Philippines society, other delivery agents and other donors (including participation in donor working groups and other relevant fora); assessment and implementation of small grants activities against agreed criteria; initial assessment of, and comment on, larger proposals and designs; analysis and comment on broader development issues; monitoring the implementation of programme activities; administering study awards and short term training; participation in contractor selection panels and; assisting with arrangements for review and design work, contractor implementation and visits of NZAID staff from Wellington. The Embassy will provide comment whenever possible on Philippines relevant proposals considered under non bilateral programmes. Programme and project related travel (and reporting to Wellington) will be a key component of the Embassy's overall travel plans.

#### **(b) Wellington based Philippines Programme Manager**

The Programme Manager will maintain an overview of the development and implementation of the programme; manage and coordinate "Whole of Government" and other stakeholder consultation and briefing relevant to the programme and the overall NZAID country effort in New Zealand; monitor progress and address issues as they emerge; negotiate on, and agree to, implementation arrangements; commission

designs, reviews and evaluations; liaise with other donors in donor capitals; take a lead role in representing NZAID in high level discussion with the Philippines Government; undertake and manage the assessment of proposals and designs; monitor the implementation of programme activities; participate in contractor selection panels and; approve nominations for study awards and short term training. The Programme Manager will provide comment whenever possible on Philippines relevant proposals considered under non bilateral programmes and provide a Philippines perspective on broader Asian regional issues. The Programme Manager will aim to visit Philippines twice in each calendar year and where possible these visits will include project related travel.

## **14 RISK ASSESSMENT AND MANAGEMENT**

14.1 Potential risks in the implementation of this programme include:

### **Strategic**

- Pressures from within New Zealand and Philippines for NZAID/NEDA to deviate from agreed strategy

### **Economic, financial and security**

- Domestic budget pressures constrain or reduce capacity of Philippines to contribute to project/programme costs and to post - project costs (including personnel)
- Security situation in specific regions precludes or delays programmed activities

### **Institutional**

- Insufficient clarity in mandates held by different Philippines agencies
- Impact of 2004 Presidential elections on broader government directions, institutional arrangements and personnel
- Loss of institutional memory and skills due to personnel movement (both NZAID and Philippines)
- Insufficient capacity in potential / actual partner agencies
- Insufficient Post resources to operationalise new strategy
- Potential impact of: broader NZAID policy pressures, other programme demands, insufficiently flexible systems and broader NZ MFAT demands

### **Intervention management (pertains to contractors)**

- A tendency to focus excessively on inputs and activities rather than outputs and outcomes achieved
- Insufficient development skills and experience
- Inadequate project preparation and design, including consultation
- Inappropriate skills and methodologies by contractors and other delivery agents
- Inadequate reporting

14.2 There will be a range of strategies for risk management. Possible risks will vary dependent on the intervention and it will be important to identify possible risks and management strategies at the feasibility/design stages, with these closely and jointly monitored by NZAID, delivery agents and relevant counterpart agencies. In the broad

sense (and this also relates closely to the overall programme), it will be important to undertake careful forward planning, close and open dialogue (including with delivery agents) and prioritisation. The strategy recognises the importance of the need to identify and develop long term relationships with appropriate partners. The need to attain effectiveness of delivery and impact mean that NZAID interventions (with the partial exception of the [Mindanao Peace and Development work with UNDP and World Bank](#)) should concentrate on fairly secure areas with only limited or no prevalence of armed conflict. In terms of restructuring components of the programme and introducing new emphases, appropriate risk management strategies include seeking to secure partial or gradual changes instead of broader restructuring.

## **15 STRATEGY MONITORING AND REVIEW**

15.1 There will be a mid-term (ie 2005/06) “stock-take” of progress achieved and issues being faced in the implementation of this Strategy. This would be undertaken in partnership between NZAID and the Philippines. A full strategic review of the programme will be undertaken during 2007/08. This will assess the implementation of the current programme and propose strategic directions for the following five year period for agreement between the Philippines and New Zealand Governments.

15.2 An assessment of progress in implementing the programme, and making adjustments as necessary, will be a standard item on the agenda of the formal aid discussions (High Level Consultations) between the Philippines and New Zealand Governments.

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