PD-AAN-810

CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) — PART I

Report Symbol U-447

1. PROJECT TITLE	2. PROJECT NUMBER	3. MISSION/AID/W OFFICE
Local Development	492-0256	Manila

4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) _____

☐ REGULAR EVALUATION ☐ SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES	6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY 73	A. Total $ 19,500	From (month/yr.) 6/73
B. Final Obligation Expected FY ____	B. U.S. $ 6,000	To (month/yr.) 8/80
C. Final Input Delivery FY 81		Date of Evaluation Review 10/28/80

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
End of Project Evaluation	G. Flores	8/80
Publication of Summary of Lessons Learned	G. Flores	1/81

Clearance:
ORAD:RJEdwards
PO:TRMahoney
OD:DPBarrett

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- ☐ Project Paper
- ☐ Financial Plan
- ☐ Logical Framework
- ☐ Project Agreement
- ☐ Implementation Plan e.g., CPI Network
- ☐ PIO/T
- ☐ PIO/C
- ☐ PIO/P
- ☐ Other (Specify) _____
- ☐ Other (Specify) _____

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

- A. ☐ Continue Project Without Change
- B. ☐ Change Project Design and/or ☐ Change Implementation Plan
- C. ☐ Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

GFlores

George M. Flores, Project Officer, USAID
Salvador P. Socrates, Deputy Minister, MLGCD

12. Mission/AID/W Office Director Approval

Signature: AM Schwarzwalder

Typed Name: Anthony M. Schwarzwalder

Date: 4 NOV 1980

AID 1330-15 (3-78)

PART II

13. SUMMARY

The USAID assisted Local Development Project provided long term support to the GOP's Provincial Development Assistance Project (PDAP). The project, initiated in FY 73, was essentially completed by December 1978 with residual activities continuing through June 1980. The plan was that after 1978, the special projects including Rural Roads, Rural Service Center, Barangay Water and the Real Property Tax Administration projects would extend the concepts developed under the Local Development Project. Continuation of PDAP functions was to have been integrated into the regular Ministry of Local Government and Community Development operations.

The complex multi-dimensional USAID project was evaluated at various stages over the 7-year life of project. The May 1977 report concluded that the project was making significant contribution to development of the capability of the provinces to plan, manage and implement programs. The final report issued in August 1980 provided an assessment of the general effects of the entire GOP/USAID program since 1973 and concluded that progress in local development would exceed the original expectations. Attached Annex to the PES provides additional comments and conclusions.

14. EVALUATION METHODOLOGY

External Evaluation was designed to assess end-of-project status. Evaluation was conducted under centrally funded Project on Managing Decentralization, Institute of International Studies, University of California, Berkeley, California. Senior Filipino consultants and GOP members served on the evaluation team.

A formal review of findings was conducted in Manila on October 28, 1980. Dr. Martin Landau (University of California) and Dr. Ledivina Cariño (University of the Philippines), members of the Evaluation Team, discussed major findings with representatives of the Ministry of Local Government and Community Development headed by Deputy Minister Salvador Socrates. There were no changes or revisions of the report suggested during the formal review.

15. EXTERNAL FACTORS

(Not appropriate for End-of-Project Evaluation)

16. INPUTS

(Not appropriate for End-of-Project Evaluation)

17. OUTPUTS

(See summary)

18. PURPOSE

a. Strengthen provincial government capability in the areas of: (1) overall administration, planning and coordination; (2) financial management; and (3) infrastructure; and in the process...

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b. Strengthen the national-level capability to carry on sustained assistance to local government.

Comment: See summary.

19. GOAL

To establish a strong local capability to deliver public and private services to the low income and rural poor families, throughout the Philippines, thus improving their perceived quality of life.

Comment: See summary.

20. BENEFICIARIES

A majority of the rural population, particularly in the 28 provinces which participated in the PDAP program supported by USAID project have benefitted from better planning, financing and implementation of several hundred local development sub-projects. These benefits cannot be quantified, however, strengthened institutions have already had visual impact on the lives of the rural poor in terms of basic services, income, and productivity.

21. UNPLANNED EFFECT

(See summary)

23. SPECIAL COMMENTS

(See summary)

Annex

Project Evaluation Summary
Final Report
Local Development Project
(492-0256)

A. Overview

Evaluations special concern was--assessment of the general effects of the entire Provincial Development Assistance Project (PDAP) on provincial government. However, much of the discussion centers on PDAP-central and its functions.

1. In terms of what was accomplished for local government, the evaluation report is rather optimistic and concludes that:

   "Despite many shortcomings, the Provincial Development Assistance Project set in motion a process of provincial development that is unmistakable and which may exceed the original expectations of its supporters and designers if it is not interrupted." (P. 3)

   " . . . . PDAP and the special projects were the agents that set provincial development into sustained momentum. . . " (P.16)

   " . . . . provinces (notably PDAP provinces) are in transition, moving rapidly toward more effective system of governance and administration. Any new USAID assistance strategy which does not capitalize on this movement would be regressive. USAID strategies should build upon and use what its prior efforts have produced in the provinces." (P.161)

The evaluation report comments that, in general, weakness of local governments is more a function of scarce resources and "ministerial fiat" than of managerial and organizational weakness.

2. In regard to PDAP-Central, the evaluation report is quite negative. It notes that since 1976, PDAP (as distinct from the special projects) has been in a steady state of decline and its capacity to perform effectively is rather problematical.

> "PDAP-Central is now an organization in serious disarray, marked by internal conflict, unstable inter-organizational relationships, uncertainty as to status and confusion as to task, its preoccupation appears to be sheer survival" (P.6)

The report comments that the decline of PDAP-Central worked to distinct advantage to the Provincial Development Assistance Project. Where the original PDAP goal was to transform provinces into intermediate governmental units capable of both managing and initiating development projects PDAP - Central was building a tightly controlled system. Its decline meant in fact a weakening of control and provinces worked to fill in and to widen the "allowable area of decision making".

> "In the absence of restrictive controls, provinces have begun to build their own reportaires to develop confidence in their own offices, to operate with greater assurance and flexibility and to initiate their own projects and systems" (P.8)

B. Character of Provincial Transformation

1. Emergence of a strong executive and decision making staff in the provinces: PDAP introduced a modern management facility strengthening the provincial governor. Provincial Development Coordinator and staff are now vital segments of provincial government, reducing the distance between the provincial government and field operations.

2. Informal and extra-official communications network that reinforces professionalism:

   Sustained training by PDAP especially in techniqes of planning and analysis has resulted in dynamic system of professional interaction among provincial staff generated on the foundation of rational systems of decision making.

3. De-facto decentralization at the provincial level:

   Consequence of PDAP effort and investment is the emergence of provincial governmental systemsthat possesses administrative, technical, and political resource necessary for the governance of their jurisdiction.

LESSONS LEARNED

Provincial Development Assistance Program - Phillipines*

Martin Landau, University of California - Berkeley
James Anderson, University of California - Berkeley

A. Introductory Note:

1. The PDAP Evaluation Team concluded that as a direct result of the program

- PDAP provinces were rapidly becoming effective systems of governance and administration, quite capable of developing their projects, their own management systems, their own agendas.

- strong provincial executive offices, possessed of administrative and conflict - resolving capacities, were emerging.

- provincial coordinators and development staffs had become vital actors, serving as executive staff, planning offices, and coordinating agents

- provincial governments now possesed the technical, administrative and political means necessary for the management of their jurisdictions and the implementation of national development projects. Weaknesses in this regard were more a function of scarce resources and national ministerial fiat than of organization and administration

2. This was accomplished despite many errors, shortcomings, and uncertainties. These, however, do not obscure the successes of PDAP. The lessons we now draw are aimed at reducing the opportunity costs of any analogous programs that may be mounted.

*These observations are drawn from the Final Evaluation Report-PDAP, August 1980. Copies are available at the Project on Managing Decentralization, Institute of International Studies, University of California-Berkeley, Berkeley, California 94720

B. Lessons Learned

1. Development assistance projects whose objective is to strengthen localities so that they can on their own identify, initiate, and implement development programs must contain provision for a phased withdrawal of the project control agency.

Comment: There is no in-principle reason why operational stages in such projects cannot be identified so that at measured points controls are relaxed and finally withdrawn. If some such requirement is not designed into the project, localities tend to become subordinates of a control agency, subject to operational constraints which are counterproductive of the projects stated purposes. Such constraints suppress initiative and self-reliance, produce ritualistic compliance systems, prevent experimental responses to the differential character of local conditions, and inhibit the development of local organizational and managerial capacities. In the case of PDAP, it was the effective absence of a control agency at a crucial point in its history that enabled the provinces to "take-off".

2. External assistance should be provided in the form of tangible resources which can be directly deployed under the authority of the locality.

Comment: Strategic requirements which enable local executives and their staffs to exercise real discretion as to allocation of resources, provide them with policy and project alternatives, with agendas of their own and the opportunity to present visible accomplishment in their own right. Moreover, such discretionary authority enlarges the allowable area of provincial action, permits executives to bargain in the interest of conflict resolution, reduces their dependence on national ministries, enhances the position of the chief executive, and provides incentives for the vitalization of local capacity and local effort.

3. Fixed amount reimbursement systems (FAR), as used by USAID-Manila, provide rigorous but non-threatening forms of fiscal and quality control which enhances programs designed to strengthen local capacity.

Comment: FAR calls for reimbursement upon the completion of a project. It is a form of post-auditing which does not impinge on provincial discretion. Because such funds are generally unencumbered, save as to fiscal accountability and quality control, they can be used for provincial needs under provincial management. Employed for capital projects, FAR sustains the use of professional standards, provides incentive for adherence to schedule, prevents slippage, encourages effective cash management, while allowing for local control of site selections, project design, and project implementation. FAR's effects are impressive enough to warrant experimental application to service programs where recurrent funding is required.

4. Programs which seek to establish staff capacity at the local level of government must include constraints which elevate the status and position of such staffs in the local governmental system.

Comment: In establishing a provincial development coordinator and a provincial development staff, PDAP imposed requirements on its member provinces that established both as pivotal actors. The criteria for assistance and the role assigned to the PDC and PDS compelled other provincial officers (and as it developed later--other sectoral officers) to take account of their plans, actions, and advisories. Mere establishment of office is not sufficient: nor is a set of duties. The duties must be of such character as to mark the staff as a consequential and leading actor in the local system.

5. Lead agencies administering local staff development programs may create systems of dual accountability which subvert project purpose.

Comment: While lead agencies must play a major role in the construction, training, and development of local staff, care must be taken to insure that such staff is not saddled with dual accountability. There exists a strong tendency in lead agencies to establish local staff as a subordinate entity operating under its authority. By the nature of its place, however, it is accountable to a local executive. Such duality creates confusion, cross-purpose, and tension. If local development is the objective, then a local staff must be accountable to a local executive, not a lead agency. While the lead agency may properly exercise control and demand accountability in the preparatory stages of development, staff development itself requires its withdrawal at the earliest opportunity.

6. Premature routinization displaces experimental efforts when agencies designed to test pilot projects assume line functions.

Comment: PDAP-Central, operating both as an experimental and line organization is the case in point. Dualities of this kind breed internal conflict and generate doubt, uncertainty and confusion. Experimental modes clash with line administration and both suffer--but the latter invariably prevail. The consequences are sets of untested methodologies that all too frequently become inflexible constraints which produce little and cost much. In PDAP-Central's case, its early assumption of responsibility for the national extension of the program displaced its original experimental emphasis. As line responsibilities took hold, experimental effort and "research and development" activities ceased, and "monitoring and evaluation" were reduced to pro-forma checklists. Its primary thrust became that of

establishing control and compliance systems and monitoring clearance and accountability procedures. When line administration is allowed to overwhelm experimental effort, opportunities for systematic learning and error-correction are lost.

7. In designing development projects, careful analysis of the utilities of the managerial and planning techniques that are to be required must be assigned high priority. Such techniques often conceal an inherent bias which can lead to consequences that are neither targeted nor desirable. They may even subvert project goals.

Comment: PPB, presented as a logically coherent and manageable system of allocating budgetary resources, is fundamentally a control process which centralizes authority. Heavy machinery, introduced as efficient means for speedy infrastructure development, are also centralizing in character--as are capital--intensive programs generally, Feasibility assessment techniques, introduced as rational decision-making, may prejudice socially oriented development projects. All three were employed by PDAP-Central as part of its effort to "decentralize" and to "reach the poor". Casual applications of rational choice mechanisms can lead to such conditions as "premature programming", loss of the chance to develop strategies that can be adjusted to wide ranges of variation, impairment of development projects, undue or misplaced centralization, and restriction of alternative choices. In projects designed to develop or strengthen local administrative capacity, care must be taken to select management techniques that stimulate local administrative development and to avoid those that tend to establish tight hierarchical control over localities.

8. Projects intended to build planning capacity at the level of local government must guard against overloading the structure of local administration with requirements that are at best marginal.

Comment: In mounting such projects, initial expectations are frequently unreal. Localities are saddled with numerous distinct planning responsibilities, many of which are worthless and cannot be justified on grounds of training or "learning by doing." The 20 year Provincial Comprehensive Plan exemplifies this. Such requirements serve only to overload the system, create a special form of manpower drain by squandering scarce resources, transform simple problems into complex ones, and yield plans that are inadequately supported by data and projections that often defy credibility.

9. The repertoire of a local development project should contain both bounded and unbounded planning strategies.

Comment: Planning systems are of two kinds--bounded and unbounded. Bounded (closed) plans rest on ordered sets of priorities which are translated into action sequences that follow a strictly determined path. They specify the variables involved, assign values to them, and instruct as to the precise procedures to be followed. Unbounded (open) plans are strategic. They are more general in character, less procedurally exact, and they allow for easy and rapid alterations. In contrast to bounded plans, they provide principles of operation, not operational procedures. They function as limiting devices which mark the target areas but permit operational designs to be developed in terms of the problems which are encountered. It is their flexibility that is crucial and their use would permit localities to develop appropriate and effective planning capacity relevant both to their needs and those of national planning agencies. Project designers need to pay attention to the appropriate combination of open and closed planning systems.