



Millennium Challenge Account Philippines

Monitoring and Evaluation Plan

July 2014

This monitoring and evaluation plan is a binding document that serves as a guide for program implementation and management. It will help Millennium Challenge Account – Philippines (MCA-P), its Board of Trustees, Stakeholders Committee, Auditor, and Management Team, Implementing Entities which include the Department of Public Works and Highways (DPWH), Department of Social Welfare and Development (DSWD), Bureau of Internal Revenue (BIR) and the Department of Finance-Revenue Integrity Protection Service (DOF-RIPS), beneficiaries, and other stakeholders know the progress being made towards the achievement of objectives and results.

Table of Contents

Figures	ii
Tables	i
Attachments	i
1 Preamble	1
2 Overview	1
3 Purpose	2
4 Project Description	2
4.1 Program Logic	2
4.2 Program Beneficiaries	4
4.3 KALAHY-CIDSS Project	4
4.3.1 Overview and Economic Rationale	4
4.3.2 Objectives	5
4.3.3 Activities	5
4.3.3.1 Capacity building and implementation support activities	5
4.3.3.2 Grants for community projects activity	5
4.3.3.3 Project management activity	6
4.4 Secondary National Roads Development Project	6
4.4.1 Overview and Economic Rationale	6
4.4.2 Objectives	6
4.4.3 Activities	6
4.5 Revenue Administration Reform Project	7
4.5.1 Overview and Economic Rationale	7
4.5.2 Objectives	7
4.5.3 Activities	7
4.5.3.1 BIR revenue administration reform activity	7
(i) eTIS sub-Activity	7
(ii) Automated Auditing Tools sub-Activity	8
(iii) Public Awareness Campaign sub-Activity	8
4.5.3.2 Revenue Integrity Protection Service (“RIPS”) activity	8
5 Monitoring Component	8
5.1 Indicators	8
5.1.1 Indicator Definition	9
5.1.2 Data Sources	9
5.1.3 Method of Data Collection	10
5.1.4 Frequency of Data Collection	10
5.2 Baselines and Performance Targets	10
5.2.1 Disaggregation of Data	10
5.2.2 Pending Baselines and Targets	11
6 Evaluation Component	11
6.1 General Approach to Evaluation and Surveys	11
6.1.1 Final Evaluation	12
6.1.2 MCC Impact Evaluations	13
6.1.2.1 KALAHY-CIDSS evaluation	13
6.1.2.2 SNRDP evaluation	16
6.1.2.3 RARP evaluation	17
6.1.3 Ad-Hoc Evaluation and Special Studies	18
6.1.4 Capacity Building	18
7 Implementation and Management of M&E	18
7.1 Reporting Requirements	19
7.2 M&E Work Plan	19
7.3 Management Information System	19
7.4 Data Quality Reviews (DQR)	19
7.5 M&E Unit Structure and Responsibilities	20
7.6 Review and Revision of the M&E Plan	21
1 Introduction	36
2 MCC M&E Policy Provisions on M&E Plan Modification	36
3 Summary of Philippines’ Modification of Compact Indicators	36

Figures

Figure 1: Program Logic.....	3
Figure 2: Relationship of the Evaluation Criteria to the Logic Model.....	12
Figure 3: Monitoring and Evaluation Reporting Structure.....	22

Attachments

Attachment 1: Abbreviations	22
Attachment 2: M&E Budget	21
Attachment 3: Reporting/Data Flow Structure of Philippines Compact	22
Attachment 4: Indicators Definition and Tracking Tables	23
Attachment 5: Indicator Disaggregation	34
Attachment 6: M&E Plan Modification Memo.....	36
Attachment 7: Description and Justification of Modifications - Modification No.1 (approved by the Board on June 5, 2014).....	38
Attachment 7.1: Compact Goals	38
Attachment 7.2: KALAHI-CIDSS.....	39
Attachment 7.3: SNRDP	45
Attachment 7.4: RARP	51
Attachment 8: Description and Justification of Modifications - Modification No.2.....	58

Tables

Table 1: Methodology for Estimating Beneficiaries and Estimates of Beneficiary by Year 20	4
Table 2: Common Differences among Evaluations Types.....	12
Table 3: Proposed Indicators for KALAH-CIDSS Evaluation.....	15
Table 4: M&E Budget.....	21
Table 5: Indicator Definition and Tracking Table - Compact Goals Indicators	23
Table 6: Indicator Definition and Tracking Table - KALAH-CIDSS	23
Table 7: Indicator Definition and Tracking Table: SNRDP.....	27
Table 8: Indicator Definition and Tracking Table - RARP	30
Table 9: Indicators to be Disaggregated	34
Table 10: Compact Goal : Indicator Modified.....	38
Table 11: KALAH-CIDSS Indicators Added	39
Table 12: KALAH-CIDSS Indicators Modified.....	40
Table 13: KALAH-CIDSS Indicators Replaced	43
Table 14: KALAH-CIDSS Indicators Deleted	44
Table 15: SNRDP Indicators Modified	45
Table 16: SNRDP Indicators Added	48
Table 17: SNRDP Indicators Deleted	49
Table 18: SNRDP Indicators Replaced.....	50
Table 19: RARP Indicators Deleted	51
Table 20: RARP Indicators Modified.....	53
Table 21: RARP Indicator Modified.....	58

1 Preamble

This Monitoring and Evaluation (M&E) Plan:

- is part of the action plan set out in the MILLENNIUM CHALLENGE COMPACT (Compact) signed on 23 September 2010 between the United States of America, acting through the Millennium Challenge Corporation (MCC), a United States government corporation (MCC), and the Republic of the Philippines, acting through its government;
- supports provisions described in *Annex III. Description of Monitoring and Evaluation Plan* of the Compact;
- is governed and follows principles stipulated in the *Policy for Monitoring and Evaluation of Compacts and Threshold Programs* (DCI-2007-55.2 from 05/12/2009) (MCC M&E Policy).

This M&E Plan is considered a binding document, and failure to comply with its stipulations could result in suspension of disbursements. It may be modified or amended as necessary following the MCC M&E Policy (article 5.2), and if it is consistent with the requirements of the Compact and any other relevant supplemental legal documents.

2 Overview

The Government of the Philippines and the Millennium Challenge Corporation, on behalf of the United States Government have signed a Compact Agreement for a four hundred thirty-three million nine hundred ten thousand dollars (\$433,910,000) grant to be implemented over five years. The agreement was signed on 23 September 2010 and entered into force on 25 May 2011.

The Republic of the Philippines is a country of more than 91 million people 32.9 % of which (2006 estimate) are living below the poverty line. More than 50% of the population (2010 estimate) lives in rural areas. The total labor force is 38.9 million Filipinos, 33% of which are employed in the agriculture sector.

Philippines economy weathered the global recession of 2008-2009 better than most of its regional peers. This is mainly attributed to the country's low dependence on export, low exposure to international securities, high domestic consumption and a vibrant service sector with an expanding business process outsourcing industry. The average economic growth during the Macapagal-Arroyo administration was 4.5%. Yet in spite of this the poverty situation has worsened. The country's high population growth rate and the inequitable distribution of wealth are believed to be the reasons why this happened.¹

One of the challenges of addressing poverty in the Philippines is the effective targeting of projects to poor beneficiaries. The Compact will assist in the implementation of the Kapit-bisig Laban sa Kahirapan ("Linking Arms Against Poverty") – Comprehensive Integrated Delivery of Social Services ("KALAHI-CIDSS or KC"), a project that targets communities with a poverty incidence equal to or greater than the national average. The KC project is a community-driven development project that enables the provision of infrastructure and services associated with community-selected and managed "subprojects", strengthens community participation in development and governance activities at the village and municipal level, and improves responsiveness of local government to community needs. In the long run, it aims to institutionalize community empowerment by working together with the local government in order to ensure its sustainability.

In Samar, one of the poorest provinces in the Philippines, the Wright-Taft-Borongon-Guiuan road that passes through 15 municipalities will be rehabilitated. The Secondary National Roads Development Project (SNRDP) is expected to accrue economic benefits by lowering vehicle operating costs, and saving the time of those Filipinos living near the road in Samar thus enabling them to have greater access to commercial activity as well as their basic needs.

¹ <https://www.cia.gov/library/publications/the-world-factbook/geos/rp.html>

Government's ability to address developmental problems is also limited by its capacity to raise funding to finance its projects as a result of weak tax collection. The Revenue Administration Reform Project (RARP) aims to increase the tax revenue over time and support the Department of Finance's initiatives to detect and deter corruption by increasing the efficiency and sustainability of revenue collection through a redesign and computerization of business processes.

3 Purpose

This monitoring and evaluation plan is a binding document that serves as a guide for program implementation and management. It will help MCA-P, its Board of Trustees, Stakeholders Committee, Auditor, and Management Team, Implementing Entities which include the Department of Public Works and Highways (DPWH), Department of Social Welfare and Development (DSWD), Bureau of Internal Revenue (BIR) and the Department of Finance-Revenue Integrity Protection Service (DOF-RIPS), beneficiaries, and other stakeholders know the progress being made towards the achievement of objectives and results. The system will not only collect, analyze and disseminate information on targets and outcomes but will, more importantly, provide the basis for evidence-based poverty reduction strategies and policies in the future.

This Monitoring and Evaluation Plan is a key management tool in implementing the results-based approach adopted by the Compact. It exists so that it can:

- Explain how MCA-P and MCC will monitor and assess how Compact projects are progressing towards achieving their intended results.
- Provide a mechanism to alert MCC, MCA-P, Implementing Entities, Stakeholders Committee, Board of Trustees to any barriers or problems to program implementation.
- Provide a framework for accountability between the Implementing Entities and MCA-P.
- Outline any M&E requirements that MCA-P and Implementing Entities must meet in order to receive disbursements.
- Establish a mechanism to ensure the quality, reliability, and accuracy of program information and data.
- Provide detailed information of the impact of the compact and its relationship with the expected outcomes of its components.
- Explain in detail how the evaluation of the larger impacts of the Compact projects will be conducted.
- Provide reliable and accurate programmatic information and data for evidence-based decision making that could inform future expansions or modeling for subsequent replication.

4 Project Description

4.1 Program Logic

The diagram below illustrates the relationship of the Compact goal, objectives and outcomes. It shows the chain of impact expected when project components are implemented as planned and how they will contribute to achieving the long-term goal of reducing poverty through economic growth.

Poverty Reduction through Economic Growth

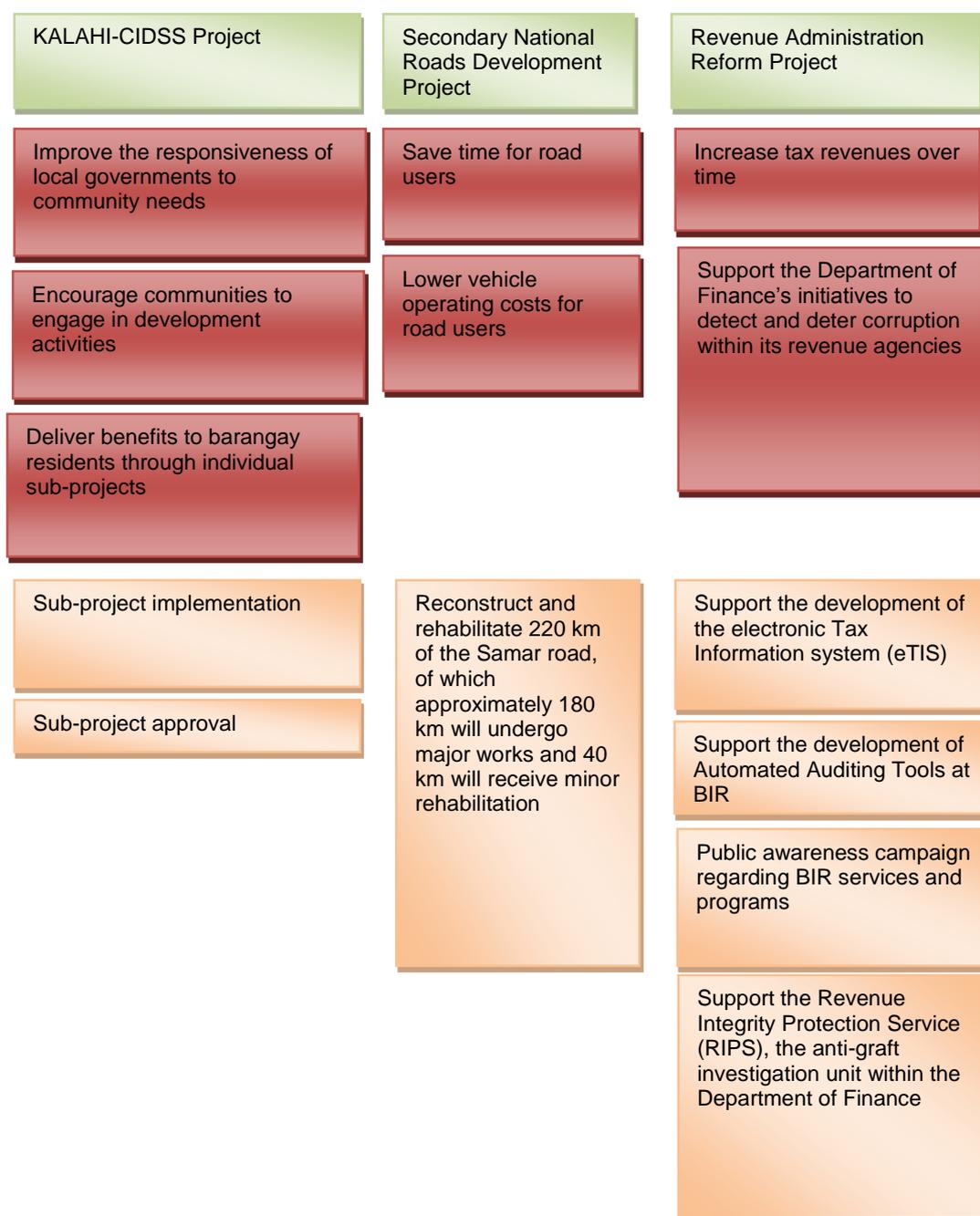


Figure 1: Program Logic

Decisions as to what projects to support were based on a rigorous analysis of economic rate of return of the projects proposed by the Philippine Government, which were also contained in the Government's medium-term development plan. Increased social sector spending, improvements of basic infrastructure, and improvements to governance were some of the priorities identified. This was validated by the consultative process at the national, regional, and local levels conducted from early 2007 – 2009.

The Compact program is expected to enable the Government to spur economic growth and reduce poverty by making high-priority expenditures, improving the targeting of government

initiatives towards the poorest regions and municipalities of the country, and increasing government revenues for sustainability.

4.2 Program Beneficiaries

The investments that will be made on the three projects are expected to benefit approximately 126 million Filipinos by the end of the projects' 20 year life span. The methodology used to estimate this number was culled from the Retrospective Beneficiary Analysis conducted on behalf of the compact. This is shown in Table 1

Table 1: Methodology for Estimating Beneficiaries and Estimates of Beneficiary by Year 20

Project Activity	Estimation Methodology	Estimated Beneficiaries	
Kalahi-CIDSS Project	Members of the affected communities where the project will occur, estimated as the average number of beneficiaries for each type of subproject, weighted by expected distribution of subprojects, and multiplied by the total number of subprojects to be funded; Analysis of a prior phase of KC supported by the World Bank provided the data.	5,215,000	125,822,000
SNRDP	75% of population living within the municipalities that the road will pass through estimated from census data	282,000	
Revenue Administration Reform Project	People who make use of government public spending such as roads, education, health care, etc.; We assume that this will be 85% of the population throughout the 20 year lifespan, because some Filipinos do not have access to certain basic services, and many of the wealthy choose to pay for private services.	125,000,000	

4.3 KALAHI-CIDSS Project

4.3.1 Overview and Economic Rationale

The Philippines lags significantly behind other countries in the region with respect to government development expenditures as a percentage of GDP and infrastructure investment and quality. The Asian Development Bank's 2007 growth diagnostic report found that inadequacies in infrastructure are a critical constraint to growth and that the availability of basic infrastructure (water, sanitation, roads, electricity) is regressive. Provision and use of education and health services were found to vary across regions, particularly as a function of incomes.

Community driven development projects are a strategy for addressing these constraints and providing community empowerment and poverty reduction. In the past, they have been used to support a wide range of community priority needs including provision of water supply and nutrition programs for women and children; building of school classrooms, day care and health facilities, farm to market roads, foot bridges, and drainage systems; and support for productive enterprises such as pre- and post-harvest facilities as well as community capacity building.

KALAHI-CIDSS is a community driven development project implemented by DSWD of the Philippines. Through KC, communities ("barangays" or villages) are trained, together with their local governments, both at the barangay and the municipal level, to choose, design and implement sub-projects that are intended to address their most pressing needs. This is done through a three-year, three-cycle program, which includes "social preparation" training for communities, barangays, and municipalities, and sub-project implementation. The KALAHI-CIDSS project to be funded by MCC is an expansion of an initial KALAHI-CIDSS project

(“KC1”) that was implemented between 2003 and 2010. KC1 was funded by a loan from the World Bank.

4.3.2 Objectives

The objectives of the KALAHI-CIDDS project are:

- (i) improve the responsiveness of local government to community needs;
- (ii) encourage communities to engage in development activities; and
- (iii) deliver benefits to barangay residents through individual sub-projects.

4.3.3 Activities

The KALAHI-CIDSS Project will cover municipalities that have a poverty incidence higher than the national average and that are not in the Mindanao island group. The KALAHI-CIDSS Project consists of the following Activities:

4.3.3.1 Capacity building and implementation support activities

MCA-P will support DSWD in providing the staff salaries, logistical support and training for the DSWD frontline workers, known as the area coordinating teams. The role of the area coordinating team is to carry out the “Community Empowerment Activity Cycle” (CEAC). This framework follows a progression of strategies and activities as a gradual “hand off” to local government of responsibilities taking place over the course of three cycles. During each cycle, barangays hold a series of meetings that are facilitated by members of the area coordinating team. These meetings will help barangay residents identify and prioritize constraints to economic activities within their communities and then identify and prioritize solutions to these constraints. Finally, the barangay selects one constraint and associated solution for presentation by elected community representatives to the “Municipal Inter-Barangay Forum” (MIBF). Two MIBF are held at the municipal level; the first to determine the criteria by which the community representatives will prioritize the barangay sub-projects for funding, and the second to prioritize them according to such criteria. At the conclusion of each of the three cycles of sub-project implementation, there is a transition and reporting period. The entire CEAC process is facilitated by the area coordinating team, with various team members responsible for ensuring that processes are transparent and in accordance with the KALAHI-CIDSS Project manuals as revised by MCA-P. This Activity also supports the existing grievance redress system.

4.3.3.2 Grants for community projects activity

DSWD will plan and implement community-chosen sub-projects in accordance with the KALAHI-CIDSS Project manuals approved by MCA-P. Specifically, the KALAHI-CIDSS Project provides grants for livelihood activities and the construction, repair and improvement/upgrading of small-scale rural infrastructure sub-projects identified by the community. The municipalities and barangays in which sub-project activities will occur will provide cash and in-kind contributions (including partially-paid labor and local materials) to the sub-projects equal to at least 30 percent of the total sub-project costs. The grant allocated to the municipal local governments to fund sub-project implementation is proportionate in size to the number of barangay within that municipality. Suppliers and contractors will be selected according to the procedures in the “Community-Based Procurement System” (CBPS). This procurement system was specifically designed for implementing the KALAHI-CIDSS Project taking into account the nature of the procurements, the local market conditions and the local capacities. At the community level, an “Audit and Inventory Committee” is responsible for auditing the financial records and reports of the community and conducting a regular inventory of all assets acquired by the community. The community’s books and records are open at all times to all members of the community for inspection.

Communities will have the opportunity to select from a variety of sub-projects, which will involve the selection, design, and construction of small infrastructure sub-projects. DSWD—in cooperation with local governments—will build the capacity of communities through training, provide guidance, and oversight throughout the process. In cooperation with DSWD, MCA-P will create a detailed risk profiling system for sub-projects and a complementary risk-based management approach to oversight that may affect the way that the grants are spent within the Grants for community project Activity.

4.3.3.3 Project management activity

MCA-P will provide DSWD with institutional and capacity-building support by funding the salaries, logistics and training for DSWD project management staff at the regional and national level. These may come in the form of office space, conferences, computer and vehicles as well as project monitoring associated with the project management activity. Goods to support this activity will be procured by MCA-P.

4.4 Secondary National Roads Development Project

4.4.1 Overview and Economic Rationale

Road transportation is the dominant transport mode in the Philippines, accounting for 53 percent of freight ton-kilometers and 89 percent of passenger ton-kilometers. The Philippines has a total road network of about 200,000 km, including about 29,000 km of national roads. Approximately 79 percent of the national arterial roads are paved, and 48 percent of these require rehabilitation.

Inter- and intra-island transport systems have a crucial role in supporting the economic development of the widely dispersed regions of the Philippine archipelago. However, the present inadequate condition of infrastructure facilities and lack of reliable, safe, and efficient transport services significantly hamper the movement of passengers and cargo throughout the country, thus limiting direct internal and external trade links, and tourism, as well as accessibility to education and health facilities thereby and constituting a major constraint to increased regional economic growth.

4.4.2 Objectives

The objectives of SNRDP are:

- (i) to save time; and
- (ii) to lower vehicle operating costs.

4.4.3 Activities

MCA-P will fund the reconstruction and rehabilitation of 220 km of the Samar road crossing the provinces of Samar and Eastern Samar. MCA-P will also fund the replacement or upgrading of associated structures, such as bridges and culverts, to eliminate flooding and improve road safety. The road begins at the junction of Highway-Buray Wright (km 827+200) in Samar, and traverses eastward along primarily mountainous terrain to Taft (km 890+000). From Taft, it continues southward, along the coastline of Eastern Samar, ending in the town of Guiuan (km 1047+300). The section of road from Wright to Taft is an important east-west corridor providing inter-provincial connection between Samar and Eastern Samar. The section of the road from Taft to Guiuan provides the only access to 13 coastal municipalities. The capital of Eastern Samar, Borongan, is located centrally on this section of the road.

- (i) Construction costs. These costs include pavement rehabilitation and strengthening, embankment construction, road safety improvements, replacement or upgrading of associated structures, such as bridges, drainage systems and culverts, and any activity associated with the environmental management plan developed for SNRDP.

- (ii) Non-construction costs. These costs include studies, construction supervision, environmental and social mitigation (including resettlement), and other project management costs and technical assistance to be incurred in connection with SNRDP.

4.5 Revenue Administration Reform Project

4.5.1 Overview and Economic Rationale

RARP addresses two problems: the need to raise tax revenues and the need to reduce tax evasion and revenue agent-related corruption. A key constraint to economic growth in the Philippines is the lack of fiscal space² for growth-enhancing investments in public goods such as infrastructure and social services (e.g., education and health). The project will increase the efficiency and sustainability of revenue collection through a redesign and computerization of business processes with a focus on the Bureau of Internal Revenue within the Department of Finance (DOF) and, thereby, help to relieve some pressure on the government's fiscal position.

In addition, there is a direct link between perceptions of inadequate control of corruption and the persistently low level of private investment in the Philippines. The current enabling environment makes it difficult to realize profits from investments of any size – as a result, poor people may choose to consume more than invest, and wealthy people may send their savings overseas where they can more reliably receive higher returns. The Project will also support the anti-graft unit within the Department of Finance.

4.5.2 Objectives

The objectives of RARP are:

- (i) to increase tax revenues over time; and
- (ii) to support the Department of Finance's initiatives to detect and deter corruption within its revenue agencies.

4.5.3 Activities

The Project consists of two Activities:

- (i) an Activity focused on BIR's efforts to re-engineer its policies and practices and to implement the electronic Tax Information System ("eTIS"); and
- (ii) an Activity focused on supporting the Philippines' Revenue Integrity Protection Service ("RIPS"), the anti-graft investigation unit within the Department of Finance.

In turn, the BIR-focused Activity will consist of three sub-activities as further described below:

- (i) the implementation of eTIS;
- (ii) the utilization of automated auditing tools in the large taxpayer unit; and
- (iii) a public awareness campaign to disseminate information about BIR's reform and enforcement activities.

4.5.3.1 BIR revenue administration reform activity

- (i) eTIS sub-Activity

MCA-P funding will provide an International Monetary Fund ("IMF") resident advisor on tax administration and support the cost of short-term IMF tax administration specialists as well as other systems and technology consultants, the training of BIR staff, and the procurement of equipment related to the implementation of eTIS.

² The severity of the constraint is underscored by levels of public sector infrastructure investment and government development expenditures (as a percentage of GDP) which are among the lowest in Southeast Asia.

(ii) Automated Auditing Tools sub-Activity

MCA-P will purchase software licenses for automated auditing tools and provide computers to run them. It will also pay for a subscription to a data base service to provide BIR with transfer pricing information and provide training for the use of these tools.

(iii) Public Awareness Campaign sub-Activity

Funding will be provided for consulting services and to support the costs of implementing a public awareness campaign regarding BIR services and programs. Individuals and businesses in the Philippines have a limited understanding of their tax obligations and BIR programs. Under this sub-activity would also include a change management program for the internal organization of the BIR.

4.5.3.2 Revenue Integrity Protection Service (“RIPS”) activity

Funding will be provided for the acquisition and customization of case management software, a related data depository system, and training. This will support RIPS, a relatively new unit within the Department of Finance, and is intended to strengthen surveillance and discipline of the Department of Finance and its attached agencies through administrative actions such as temporary suspensions or dismissals.

5 Monitoring Component

The Compact will be monitored systematically and progress reported regularly through the indicator tracking table (ITT). There are five levels of monitoring that follow from the program logic framework:

- (i) Impact (goal indicators);
- (ii) Objectives;
- (iii) Outcomes;
- (iv) Outputs; and
- (v) Process milestones.

The various indicator levels map to the logical framework and thus allow Project developers and managers to understand to what extent planned activities are achieving their intended objectives.

5.1 Indicators

The M&E plan is framed and constructed using the program logic framework approach that classifies indicators as process milestones, output, outcome, objective, and impact (goal indicators).

- Goal indicators monitor progress on Compact goals and help determine if MCA-P and MCC are meeting their founding principle of poverty reduction through economic growth.
- The Objective indicators measure the intermediate or long-term effects on an intervention’s outputs.
- Outcome indicators measure intermediate or medium-term effects of an intervention’s Outputs.
- Output indicators measure the direct result of the project activities—most common of these are goods or services produced by the implementation of an activity.
- Process Milestones record an event or a sign of progress toward the completion of project activities. They are a precursor to the achievement of Project Outputs and a way to ensure the work plan is proceeding on time to sufficiently guarantee that outcomes will be met as projected.³

The rationale for monitoring as discussed in the purpose section of this document is to keep a focus on progress towards targets as specified in the Compact.

³ The indicator levels are formally defined in MCC’s *Policy for Monitoring and Evaluation of Compacts and Threshold Programs*.

MCC has introduced common indicators for external reporting across all MCC Compacts. MCC sector experts have developed these indicators to document sector level progress relevant to different project activity types. The common indicators relevant to the MCA Philippines Compact are included in this M&E plan.

Much effort has been devoted in the development of this Plan in the participatory selection of indicators with Implementing Entities. The resulting set of agreed indicators is shown in the Indicator Definition Table. The Indicator Definition Table provides relevant details for each indicator by Project and can be found in Attachment 4. It provides descriptions for the indicator structure by specifying each indicator's:

- (i) name;
- (ii) definition;
- (iii) unit of measurement;
- (iv) data source;
- (v) method of collection;
- (vi) the frequency of collection; and
- (vii) party or parties responsible.

To ensure that the Program is on track to meet its over-all Goals and Objectives, the monitoring indicators will be measured against established baselines and targets, derived from ex-ante economic rate of return analysis, other types of analysis, and project planning documents. The targets reflect the underlying assumptions made in program design about what each activity would likely achieve. Baselines and target levels for each indicator are defined in Attachment 4.

Indicators may need to be modified in future versions of the M&E Plan. Annex III of the Compact outlines the impact-, objective-, outcome- and output-level indicators. The M&E Plan refines these indicators and also introduces process milestones developed by MCA-P project managers and implementers in the early stage of project implementation. The M&E Unit shall consult and assist in setting up each implementer's monitoring plan.

Modification and revisions to the indicators may only be made according to the MCC M&E Policy.

5.1.1 Indicator Definition

This M&E Plan provides a succinct description of each indicator in Attachment 4. The definition of the Outcome and Objective indicators was driven by the M&E Units of MCC and MCA-P in close coordination and are derived from Compact documents, the economic analysis, participatory exercises with stakeholders, national strategies and sector papers including the Philippine Development Plan, and statistics published by the National Statistical Coordination Board (NSCB). The definitions for Output and Process indicators are derived from Compact documents, Implementing Entities and implementers' work plans, and MCC external reporting requirements.

5.1.2 Data Sources

Data sources have been identified and vetted for all the indicators listed in Attachment 4. Generally, monitoring data will be obtained from various primary sources, ranging from Implementing Entities and Service Providers to the MCA/MCC surveys. In addition, the MCA-P M&E unit may obtain secondary data for the high level (Objective and Impact) indicators from the relevant government agencies including National Statistical Coordination Board (NSCB).

5.1.3 Method of Data Collection

The data for many objective and outcome indicators will be drawn from surveys conducted by MCA-P in conjunction with Implementing Entities and Service providers while the lower-level indicators will be drawn from the Project implementers' records. Indicators will be reported through a Management Information System (MIS). Data will be reported to MCA-P on a monthly, quarterly, or annual basis, depending on the indicator's requirements. To ensure this, MCA-P will set proper cooperation and collaboration with Implementing Entities and Contractors by putting necessary requirements for Contractors to develop and put in place proper reporting mechanisms, including potentially connection to MCA-P's future MIS.

Where and if necessary, MCA-P will commission surveys to collect special data in coordination with the institutions in charge of each project area. Data collection instruments (including surveys, data collection forms and registries) will be designed in a participatory manner with the dedicated teams of the relevant Implementing Entities. In order to provide for the specific needs of evaluations, Impact Evaluators shall be involved in the design of the surveys, including in setting the survey strategy, designing questionnaires and helping in the development of Terms of Reference (TORs) for survey contractors. Beneficiary registries, kept by implementers, may serve as one source for the sample frames. Therefore the M&E Unit will need to coordinate with the projects to ensure these registries are sufficiently designed to serve as sample frames.

5.1.4 Frequency of Data Collection

During the Compact period, data will be collected on a monthly, quarterly or annual basis, depending on the indicator.

Some of the contractors and Implementing Entities will be required to report on project milestones and outputs quarterly, and the others annually. Those arrangements will be recorded in the respective contractor's TORs and Implementing Entity Agreements. Decision on frequency will be taken for each individual implementation agreement to reconcile MCA-P need for fresh data with administrative burden and cost efficiency.

5.2 Baselines and Performance Targets

The baselines and targets for each indicator are shown in Attachment 4. Targets are derived from

- 1) the initial economic analysis used in justifying Program investments,
- 2) project documents,
- 3) discussions with experts and consultants, and
- 4) implementation work plans.

Baseline figures should be established using the most current and appropriate data available prior to an Activity's implementation. This can include baseline surveys, government surveys such as those conducted by the National Statistical Coordination Board (NSCB), and other organizations' records. If baseline figures are revised from those used in the economic analysis, the Activity's targets, should be revised accordingly. Any revision of baselines and targets must adhere to MCC's policies regarding baseline and target revisions and will require MCC's formal approval.

5.2.1 Disaggregation of Data

Where applicable, the data will be collected, analyzed, and reported by income level, gender, and age groups of beneficiaries in order to portray the benefits accruing to the different constituencies of the population. This information will be public and will be available on the MCA Philippines web page.

Attachment 5 identifies which indicators should be disaggregated, to the extent that it is feasible and cost-effective. Select disaggregated figures identified in Attachment 5 will be reported to MCC in the quarterly Indicator Tracking Table.

5.2.2 Pending Baselines and Targets

A number of each Project's indicators baselines and targets are currently pending, particularly for lower level output and process indicators. The majority of these baselines and targets will be established once the different baseline studies are completed. Others are pending and data will be updated once implementation contracts are awarded and contractors have presented their work plans.

6 Evaluation Component

6.1 General Approach to Evaluation and Surveys

Evaluations assess as systematically and objectively as possible the Program's rationale. The evaluations will strive to estimate the impacts on the targeted beneficiaries and wider regional or national economy, when applicable. The evaluations will provide MCC, MCA-P and other stakeholders with information at the Compact's end or post-Compact on the impacts that are attributable to the Program.

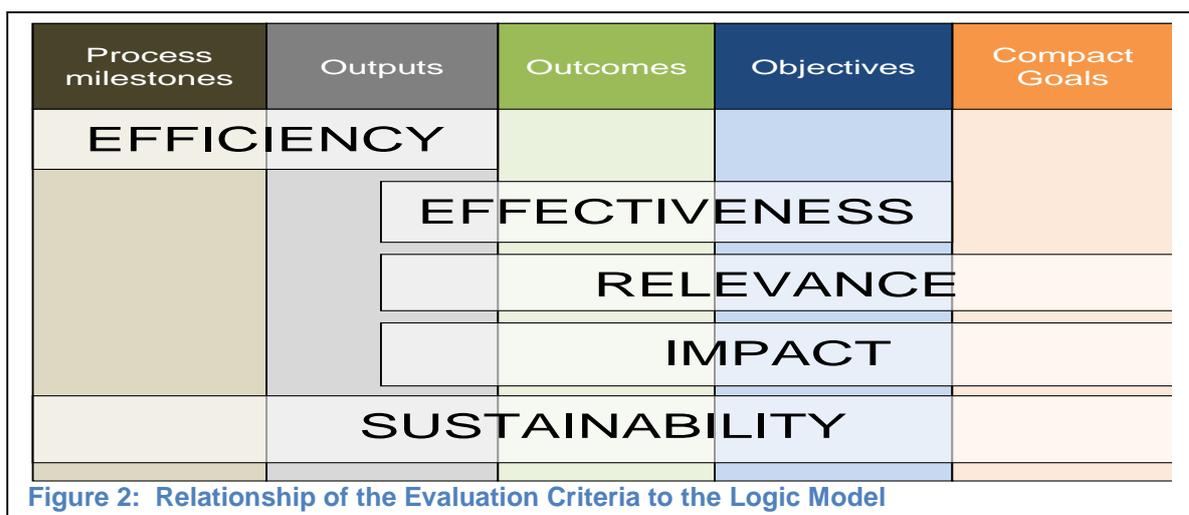
The evaluation strategy will be based upon scientific models that ensure the advantages of accuracy, and objectivity. These models will comprise experimental and quasi-experimental designs as well as statistical modeling. Methodologies will be selected considering cost-effectiveness.

Evaluation Criteria

The Compact will utilize a standard set of criteria based on global best practices in evaluation. This set includes:

- (i) Relevance – The measure of the extent in which the interventions address the needs of the beneficiaries and stakeholders
- (ii) Effectiveness – The measure in which the projects are achieving its stated goals
- (iii) Efficiency - The measure in which the projects uses resources in the most economical and timely manner to achieve its goals
- (iv) Impact – The measure of the results of the intervention -- intended and unintended, positive and negative social, economic, and environmental effects on beneficiaries
- (v) Sustainability – The measure in which the projects and its impact will continue after the external support is withdrawn.

These five criteria will be used in all the three projects under the Compact. The relationship of the Evaluation Criteria to the logic model is shown in Figure 2 below.



The Respective Roles of MCA-Contracted Evaluations and MCC Impact Evaluations

Both MCC and MCA Philippines will fund evaluations of the Philippines Compact from their respective budgets. MCA Philippines will fund Ad Hoc Evaluations and Mid-Term/Final Evaluations. MCC will fund Impact Evaluations of every Project.

The roles of the various evaluations are different but they are intended to be complementary. The primary difference is the source of funds and the respective scopes. Methodologies also tend to differ though not necessarily. Common differences for each evaluation are noted in the following sections. The table below highlights some key differences.

Table 2: Common Differences among Evaluations Types

	Final Evaluation	MCC Impact Evaluation	Ad Hoc Evaluations
Main Objective	Evaluate Compact progress and results in a comprehensive manner	Establish impacts against a modeled counterfactual	Address short-term information gaps
Methodologies	<ul style="list-style-type: none"> Interviews Case studies Statistical analysis of primary data Summaries of secondary data (including Impact Evaluations) 	<ul style="list-style-type: none"> Experiments Quasi-experiments Advanced statistical analysis 	(varies)
Strengths	<ul style="list-style-type: none"> Broad survey of all issues Focus on implementation issues 	<ul style="list-style-type: none"> Attempts to establish attribution Focus on high level results (impacts) Use of highly specialized researchers Quantitative focus 	<ul style="list-style-type: none"> Executed quickly In depth analysis of a single issue
Funding	MCA Compact	MCC administrative budget	MCA Compact

6.1.1 Final Evaluation

The Final Evaluation will be a major component of the Compact Completion Report (CCR). The CCR is the close-out report required by MCC; the CCR will require reporting from several

units within MCA-P, not only M&E. The Final Evaluation is the portion of this report which is contributed by the MCA M&E unit.

The Final Evaluation will assess the actual results of the Program against the Compact goals, objectives and outcomes. The emphasis of the evaluation will be to assess how Compact activities have affected poverty and economic growth, while also examining the more general impact of the Program and the sustainability of the projects. Therefore the final evaluation will include the following issues:

- In what ways and to what extent has the Compact program made a positive impact on poverty reduction and economic growth;
- To what extent were the planned objectives achieved for the program;
- Effectiveness of program activities: Which of Compact program components were the most effective? Why? Which program components were the least effective? Why?
- Reasons behind the success or failure to achieve goals, objectives and targets;
- Unintended results of the program (positive and negative);
- Long-term sustainability of results;
- Re-estimated economic rates of return, comparisons to original estimates, and assessment of differences; and
- Lessons learned applicable to similar projects;

6.1.2 MCC Impact Evaluations

One of the key features of MCC's approach to development assistance is its strong commitment to conducting rigorous impact evaluations to find out more largely whether the Compact had the desired effects on individuals, households, and institutions and whether those effects are attributable to the program intervention. Impact evaluations will also explore the distribution effect or the extent to which project benefits reach the poor and the impact that these benefits have on their welfare. Impact evaluations will employ, whenever possible, methodologies that determine whether results can be reliably attributed to MCC funded interventions through a control group or 'counterfactual'.

To ensure impact evaluations are of a high quality, MCC directly procures and funds the impact evaluation teams.

6.1.2.1 KALAHI-CIDSS evaluation

- Socio economic impact

Key Questions:

- i. How did the project affect living standards of the beneficiaries?
- ii. What is the sustainability prospect of the impact?
- iii. How effectively did the subprojects reach the poor and the vulnerable in the communities?
- iv. How does the project costs compare to other similar projects undertaken by other institutions?

- Social capital Impact

Key Questions:

- i. Did project engagements at the local level increase community trust levels?
- ii. How participatory are the community decision-making process? Did the participatory nature of the project allow the marginalized groups more voices in the decision-making process?
- iii. Did community engagement and ownership increase the likelihood of sustainability?
- iv. How well did the project reflect the priorities of the targeted communities and beneficiaries?
- v. Were the environment and gender issues addressed properly?

- Institutional Impact

Key Questions:

- Did the project improve the allocation/sourcing of funds to LGUs?
- How well did the project promote the adoption of the values, methods, processes and skills by the LGUs?
- What is the effect of the project on the local budget procedures?

Table 3: Proposed Indicators for KALAHI-CIDSS Evaluation	
Categories	Indicators
Socio economic Impact	<p>Core</p> <ul style="list-style-type: none"> • Poverty indicators • Labor indicators • Distribution of resources per socio-economic groups • Unit costs (per type of subproject) • Average cost per beneficiary • Average completion time • Maintenance schedule and levels <p>When Relevant (based on aggregate of subprojects developed under each strand)</p> <ul style="list-style-type: none"> • Water and Sanitation <ul style="list-style-type: none"> ○ Individuals with access to improved sanitation ○ Incidence or severity of water-borne diseases ○ Population with access to improved water supply • Education <ul style="list-style-type: none"> ○ Number of students enrolled in MCC-supported education activities • Health <ul style="list-style-type: none"> ○ Health facility use
Social capital Impact	<ul style="list-style-type: none"> • Membership in local associations and networks <ul style="list-style-type: none"> ○ density of associations (% of households participating in local organizations) ○ incidence of household membership (avg. # of memberships per household) • Measures of solidarity, trust and adherence to norms <ul style="list-style-type: none"> ○ extent to which one trusts people ○ extent to which households receive or would receive assistance from members in case of emergencies • Indicators of collective action <ul style="list-style-type: none"> ○ collective decision-making and action ○ ability to demand services from local government institutions ○ alignment of ex post project delivery with ex ante expressed preferences of beneficiaries
Institutional Impact	<ul style="list-style-type: none"> • Changes in local level decision-making • Adoption rate KC processes, methods, and procedures by LGUs • Maintenance of subprojects • Aggregate amount of beneficiary cost-sharing

Evaluation methodology

The evaluation methodology is a lottery among eligible municipalities within a province. The municipalities were paired with a similar municipality and then one of the pair was drawn in the lottery to receive the KC Project. Pairings were done based on four

variables: poverty incidence, land area, number of Barangays, and population density. A baseline survey will be conducted in the early stage of the KALAHI-CIDDs project, as well as an interim and an endline survey.

To estimate the magnitude of the effects of the intervention, the project will rely on counterfactual, i.e. the municipalities that received KC will be compared to those that did not receive the project both before and after the intervention. By comparing the average changes in the treatment group to that of the control group, it is hoped that the observed outcomes can be attributed to the project.

The main challenge is addressing the bias between the treatment and the control groups. There are two types of bias that might distort the result of the evaluation. Observable factors are those that can be measured using data instruments and then accounted for when measuring impact. Unobservable factors are those that might be difficult to measure or observe. Example of these includes social capital, organizational capacity, and community motivation. Care must be exercised when conducting the evaluation so that under or over estimations of results are prevented. Another challenge is accounting for exogenous factors that might positively or negatively affect the beneficiaries and distort the measurement of impact. By combining baseline data with group comparison methodologies, it is hoped that the credibility of the evaluation will also improve.

Quantitative and qualitative methods will be employed to estimate impact. Quantitative methods will enable 1) generalization from a small representative sample, and 2) assessment of causality of impact. Qualitative methods on the other hand will enable the assessment of behavior, processes, and conditions. By combining both methods, it is hoped that the evaluation will be more comprehensive and insightful.

The MCC Impact Evaluation Consultant in consultation with MCC and MCA-P will finalize the evaluation design early in Year 1 of the Compact.

Data sources

The main data source for the evaluation will be a household survey conducted at the baseline and after the project is completed. The same households will be surveyed in each round. In addition different qualitative data gathering will happen, such as focus groups.

6.1.2.2 SNRDP evaluation

Key Question

- i. What is the magnitude of the economic benefits because of the road project?

Evaluation Methodology

HDM-4 will be used in conducting the evaluation of the SNRDP project. HDM-4 is a software that monetizes time savings and vehicle wear and tear based on the road condition. It calculates reduced vehicle operating costs, reduced journey times, and changes in road maintenance costs.

Data

SNRDP is divided into four packages. Data about road condition will be captured by the Implementing Entity immediately after a section has been finished. The quality of the work with respect to the contract documents, detailed designs, and specifications will be captured as a monitoring component.

Reporting

Reporting of monitoring data will strictly follow the milestones and deadlines that will be established during the design stages.

6.1.2.3 RARP evaluation

Key Questions

- i. Has RARP increased tax revenue collection? To what extent?
- ii. What is the change in corruption perception of DOF from the point of view of both the taxpayers and from within DOF, Bureau of Internal Revenue (BIR), and the Bureau of Customs (BoC)
- iii. To what extent have the automated systems such as the electronic tax information system (eTIS), automated auditing tools, and case management system been implemented in BIR and the Revenue Integrity Protection Service (RIPS)? Why have the systems been implemented or not implemented?
- iv. Has this system resulted in improved efficiency and reduced discretion for corruption as measured by the indicators in MCA-P's Monitoring and Evaluation Plan? To what extent?
- v. Are the taxpayers and staff aware of these new systems? What is their feedback on these systems in terms of improving the image of DOF and BIR?
- vi. Are there any gender based differences in the perceptions of changes or improvements through the project or over-all impacts? To what extent?
- vii. What is the change in satisfaction with BIR services from the perspective of the taxpayers and within DOF/BIR?
- viii. In what areas of tax administration is the taxpayers aware of their tax obligations and/or penalties for non-compliance with their obligations? What were the lessons learned from past public awareness campaigns that can be applied to existing or future public awareness campaigns? What were the messages of the RARP public awareness campaigns? Were these effective in increasing taxpayers understanding of their obligations or their awareness of BIR services and programs?
- ix. How has the RIPS sub-activity affected the number of personnel that have been investigated and charged with corruption? Did these actions result to successful case resolutions and improved corruption perception? What are the factors that contribute to case resolutions?
- x. How has this automation affected number of returns filed and number of audits?
- xi. What is the staff feedback on these systems?
- xii. What is the change in the perception of corruption within the DOF?
- xiii. What is the effect of the RIPS activity on number of personnel charged/complaints investigated that result in disciplinary action?
- xiv. How has the tax gap improved?

Evaluation Methodology

The evaluation will compare outcomes of interest before and after project intervention.

Data

The evaluation will use qualitative and quantitative methods in gathering data from respondents. The qualitative method will use Focus Group Discussions (FGD) and Key Informant Interviews (KII). Enterprise and individual taxpayers will constitute the FGD participants, while DOF, BIR, and BoC shall serve as key informants. The quantitative method shall employ a survey of 2300 respondents comprising taxpayers in the 10 revenue districts and personnel of the Department of Finance, Bureau of Internal Revenue, and Bureau of Customs. The survey will collect data on the following themes:

1. Respondent Profile
2. Taxpayer awareness
3. Taxpayer behavior
4. Perception of corruption (taxpayer and personnel)

6.1.3 Ad-Hoc Evaluation and Special Studies

MCC or MCA-P may request ad hoc evaluations or special studies of Projects, Project Activities or the Program as a whole prior to the expiration of the Compact Term to be conducted by external parties in compliance with the MCC Program Procurement Guidelines.

Ad Hoc Evaluation and Special Studies are designed to provide MCA-P management and staff, project implementers, beneficiaries, and other stakeholders with performance information about Program implementation and results that will not be solely generated from performance monitoring or Impact Evaluation.

Some of the proposed studies that may be undertaken are as follows:

- Gender Study which is expected to gather and examine qualitative data to determine the extent of women participation in project implementation; and benefits that men and women derived from the projects (e.g. equal access to opportunities) among others.
- KALAH-CIDSS Process Review which will document the characteristics of the intervention and draw information about barriers to and/or facilitators of the intervention components
- Engineering technical audits of KALAH-CIDSS infrastructure projects (i.e., day care centers, health centers, school buildings, roads and water systems) focusing on cost of building the infrastructure.

6.1.4 Capacity Building

To ensure that IE counterparts develop ownership of the M&E processes and systems being established by MCA-P, it is important that everybody tasked to implement the activities as contained in this Plan have the knowledge and skills necessary to dispense their duties.

It is difficult to deliver training programs relevant to all the IEs given their varying levels of M&E appreciation and knowledge. To address this, the following approach was developed:

1. Spur - Spur activities are designed to enable IEs with little or no M&E capabilities to gain better appreciation of M&E concepts.

Spur activities can take the form of training in principles and processes in M&E. Particular focus will be given to training that addresses the gap in the current M&E capacity of the IEs. This will differ from one IE to another as each of them has varying level of M&E understanding.

2. Share – Share activities are designed to enable IEs with existing M&E system to have a venue where best practices are shared within the network. Sharing activities are opportunities to recalibrate existing M&E practices.

Share activities are knowledge management activities that aim to transform tacit knowledge to explicit knowledge by providing opportunities for people to share best practices and lessons learned. These activities can be within IE or across different IEs.

3. Showcase – Showcase activities are designed to share the success of the Compact M&Es to development stakeholders in the Philippines.

Showcase events can take the form of conferences. They aim to influence the wider public sector in adopting the MCC approach to monitoring and evaluation.

7.1 Reporting Requirements

Performance reports serve as a vehicle by which the MCA-P Management informs MCC of implementation progress and on-going field revisions to Project work plans. Currently, MCC requires that MCA-P submit a Quarterly Disbursement Request Package (QDRP) each quarter. The QDRP must contain a quarterly **Indicator Tracking Table** (ITT) which tracks progress against indicators in the M&E Plan. Guidance on fulfilling these reporting requirements is available on the MCC website at: (<http://www.mcc.gov/pages/countrytools/tools/compact-implementation>).

To sustain this system, the Implementing Entities will be required under this M&E Plan to report on the degree of Project performance under their portfolios, as further demonstrated in Attachment 4.

At the end of the Compact, MCA-P will prepare a Compact Completion Report (CCR). The CCR shall be prepared according to guidelines provided by MCC.

7.2 M&E Work Plan

One of the key instruments of this M&E Plan is the M&E Work Plan, which establishes the timeline for all Monitoring and Evaluation activities. Since the work plan is a planning tool in a dynamic Compact implementation environment, annual or quarterly revisions are expected. Such revisions will be discussed with MCC. Because of the dynamic nature of the work plan, it is not presented as a part of this M&E Plan.

7.3 Management Information System

Monitoring and evaluation (M&E) is an integral component of any successful project. Results of the M&E help MCA-P, its Board of Trustees, Stakeholders Committee, Auditor, and Management Team, Implementing Entities which include the Department of Public Works and Highways (DPWH), Department of Social Welfare and Development (DSWD), Bureau of Internal Revenue (BIR) and the Department of Finance-Revenue Integrity Protection Service (DOF-RIPS), beneficiaries, and other stakeholders know the progress being made towards the achievement of objectives and results.

The implementation and management of M&E will be greatly enhanced and improved by a fit-for-purpose Management Information System (MIS). MCA-P envisaged an MIS that will assist in the collection, analysis and dissemination of information on targets and outcomes specific to the Compact.

The M&E Director will be responsible for ensuring that M&E needs is addressed during the development of the comprehensive system.

7.4 Data Quality Reviews (DQR)

Data Quality Reviews will be conducted in accordance with the requirements of the MCC M&E Policy.

The objectives of DQRs are to assess the extent to which data meets the standards defined in the MCC M&E Policy in the areas of validity, reliability, timeliness, precision and integrity. Data quality reviews will be used to verify the consistency and quality of data over time across implementing agencies and other reporting institutions. DQRs will also serve to identify where the highest levels of data quality is not possible, given the realities of data collection.

MCA-P may contract an independent data quality reviewer in compliance with MCC Program Procurement Guidelines. The M&E Officer and other Officers, as appropriate, within MCA Philippines and the IEs should also regularly check data quality. In doing so, MCA-P may hire individual data quality monitors to monitor data collection and quality, as needed. Besides

independent DQRs, the MCA-P M&E Unit will also conduct field visits on a regular basis or whenever requested by MCC, to review the quality of the data gathered through this M&E Plan. This exercise will be done in coordination with the respective project stakeholders.

7.5 M&E Unit Structure and Responsibilities

The MCA-P M&E Unit will be part of the MCA Management Team, and will be composed of an M&E Director who will have the key responsibility of leading and managing all M&E activities; and two M&E Specialists who will support the M&E Director in performing the M&E activities. Additionally, the M&E Unit will hire short-term support on an as needed basis. The M&E Unit will carry out, or hire contractors to complete the following and other related activities:

- Direct implementation of all activities laid out in the M&E Plan and ensure all requirements of the M&E Plan are met by MCA-P;
- Ensure that the M&E Plan and ERR analysis are modified and updated as improved information becomes available;
- Oversee development and execution of an M&E system (including data-collection, data-analysis and reporting systems) integrated with the Management Information System;
- Elaborate and document M&E Policies, Procedures, and Processes in an M&E Manual or other format, to be used by all MCA-P staff and project implementers;
- Ensure that MCA-P M and E and project staff, and their counterparts in the four implementing entities have the skills and knowledge to conduct the activities specified in this plan;
- Communicate the M&E Plan and explain the M&E system to all key stakeholders involved in the Compact, particularly project implementers, to ensure a common understanding by all. This could take the form of orientation and capacity building sessions and could focus on issues as:
 - Explaining indicator definitions, data collection methods, and timing/frequency of data collection and reporting,
 - Data quality controls and verification procedures,
 - Impact evaluation questions and methodology, etc;
- Develop and use a documentation system to ensure that key M&E actions, processes and deliverables are systematically recorded. This may be accomplished either as part of the M&E information system or independently. The documentation may encompass the following elements:
 - Indicator data,
 - Changes to the M&E Plan,
 - Key M&E deliverables including TORs, contracts/agreements, data collection instruments, reports/analyses, etc;
- Develop (with the Communication Unit and ESA/Gender officers) and implement a systematic dissemination approach to ensure participation of all the stakeholders, and to facilitate feedback of lessons learned into the compact implementation process;
- Participate in project monitoring through site visits, review of project reports, and analysis of performance monitoring and other data;
- Update the M&E Work Plan periodically;
- Contribute to the design of the impact evaluation strategy;
- Collaborate with the Procurement Director to prepare and conduct procurement of M&E contracts; and
- Ensure that data collection mechanisms are designed to collect data disaggregated by gender, age, and other dimensions, as applicable and practical, and that the findings are presented at the appropriate disaggregated level.

The M&E Director will be a part of MCA-P's Internal Management Unit, composed of MCA-P leadership, Project Directors and other Directors. M&E Director will report directly to the MCA-P Deputy Managing Director for Operations and maintain closest cooperation with the Project Directors, and ESA Director. Collaboration with procurement team will be very important to

prepare and conduct procurement of M&E related contracts as well as ensuring that other implementation contracts contain necessary data reporting provisions.

Seminars, workshops, elaboration, distribution and dissemination of M&E materials shall be conducted in close cooperation with the Communications Unit and other relevant MCA-P Units.

7.6 Review and Revision of the M&E Plan

The M&E Plan is designed to evolve over time, adjusting to changes in program activities and improvements in performance monitoring and measurement. As necessary, the M&E Director of MCA-P and representatives of MCC M&E staff will review how well the M&E Plan has met its objectives. The review is intended to ensure that the M&E Plan measures program performance accurately and provides crucial information on the need for changes in project design.

Attachment 1: Abbreviations

Abbreviations	Long form
ADB	Asian Development Bank
BIR	Bureau of Internal Revenue
CBPS	Community-Based Procurement System
CCR	Compact Completion Report
CEAC	Community Empowerment Activity Cycle
DOF	Department of Finance
DPWH	Department of Public Works and Highways
DQR	Data Quality Review
DSWD	Department of Social Welfare and Development
ERR	Economic Rate of Return
GDP	Gross Domestic Product
HDM	Highway Design Model
IE	Impact Evaluation
IMF	International Monetary Fund
ITT	Indicator Tracking Table
MCC	Millennium Challenge Corporation
MCA-P	Millennium Challenge Account – Philippines
M&E	Monitoring and Evaluation
MIBF	Municipal Inter-Barangay Forum
MIS	Management Information System
NSCB	National Statistical Coordination Board
OVI	Objective Verifiable Indicators
QDRP	Quarterly Disbursement Request Package
RARP	Revenue Administration Reform Project
RIPS	Revenue Integrity Protection Service
SNRDP	Secondary National Roads Development Project
TOR	Terms of Reference
USAID	United States Agency for International Development

Attachment 2: M&E Budget

Table 4: M&E Budget

Activity	Budget (in USD Million)
Development of M&E Manual	0.053
Data Gathering/Surveys	5.107
Data quality checks and reviews	0.45
Adhoc/special studies	0.34
Capability-building on M&E	0.3
M&E Information System	0.15
Monitoring activities and field work	0.068
Total	6.468
Total M&E Budget	8.26
Unallocated	1.792

Figure 3: Monitoring and Evaluation Reporting Structure

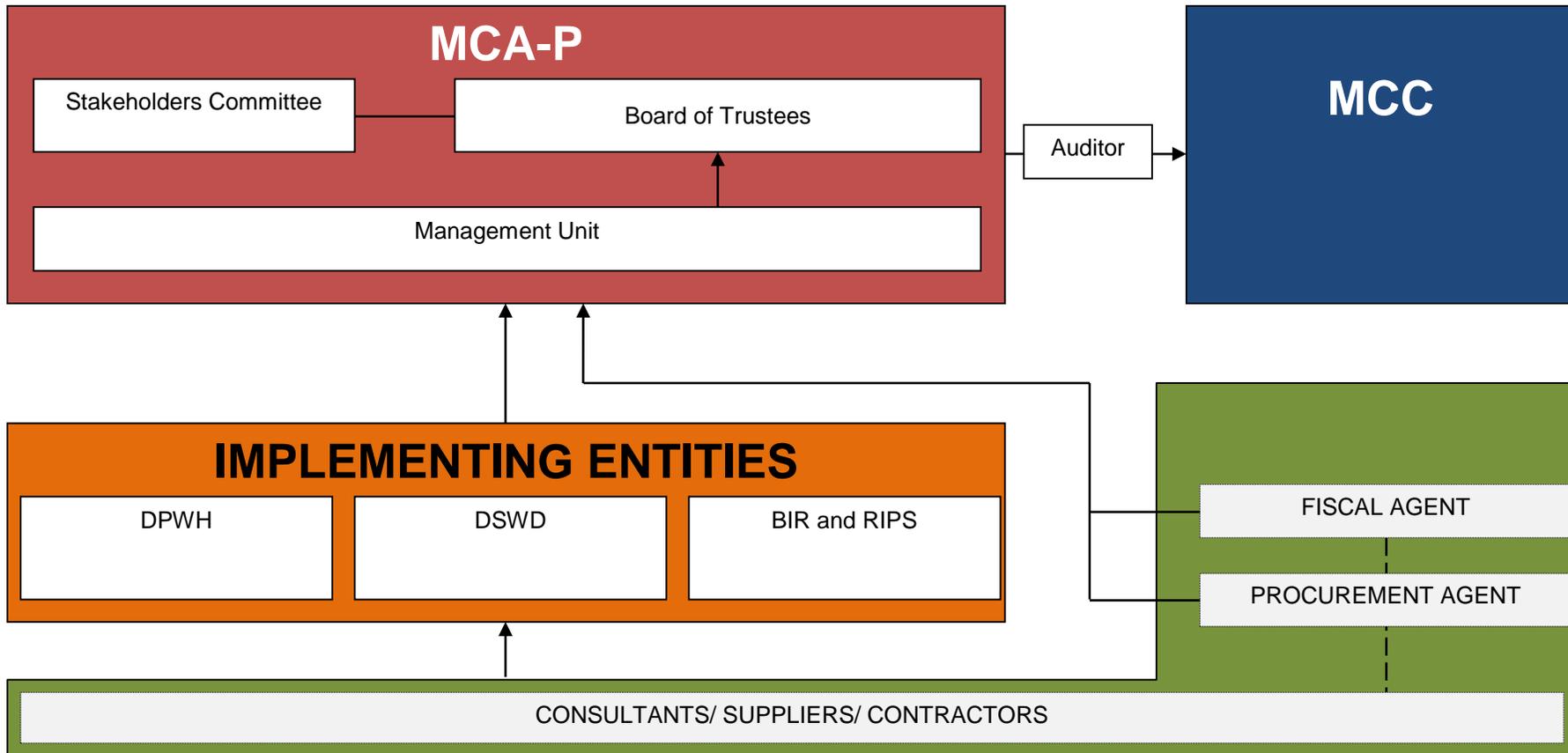


Table 5: Indicator Definition and Tracking Table - Compact Goals Indicators

Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
				Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Poverty Incidence	Percent of households living below the subsistence poverty line	Percentage	Level	22.9 ⁴		22.3						NSCB	Secondary data review	Pre and post Project
Growth in Gross Domestic Product	Annual growth in Gross Domestic Product	Percentage	Level	TBD	TBD	TBD	TBD	TBD	TBD	TBD		NSCB	Secondary data review	Annual

Table 6: Indicator Definition and Tracking Table - KALAH-CIDSS

Objective Level														
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre project	Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre project	Percentage	Level	0						TBD 4Q 2014	Special Study External Consultant	Impact Survey	Annual
Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of MT municipalities which have established expanded MDCs for broader consultation with civil society representatives to obtain inputs for the Municipal Development Plans	Percentage of MT municipalities which have established expanded MDCs for broader consultation with civil society representatives to obtain inputs for the Municipal Development Plans	Percentage	Level	TBD 4Q 2014			85%				M&E MIS	MCD resolutions, Process observation reports from KCAF municipal project teams	Annual
Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O & M	Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O&M	Percentage	Level	0						100%	M&E MIS	Aggregate of data captured during regular progress reporting.	Annual
Increased community engagement in development activities	Percentage of households that report increase in confidence to participate collectively in community development activities	Percentage of households that report increase in confidence to participate collectively in community development activities	Percentage	Level	0						30%	External consultant	Impact survey	Pre and post project

⁴ Poverty incidence for 2009. From <http://www.nscb.gov.ph/poverty/defaultnew.asp>

	compared to pre-project initiation	compared to pre-project initiation													
Increased value of sub-project benefits	Change in household income of beneficiaries of subprojects due to subproject	Change in household income of beneficiaries of subprojects due to subproject	Percentage	Level	0							TBD	External Consultant	Household Survey	Pre and post project
Outcome Level															
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Increased value of sub-project benefits	Percentage of households with access to sanitation facilities	Percentage of households with access to sanitation facilities	Percentage	Level	0								External Survey Team	Surveys FGD	Pre and post project
Increased community engagement	Percentage of females that are present during Barangay Assemblies	Percentage of females that are present during Barangay Assemblies	Percentage	Level									KC M&E System	Aggregate of data captured through	Annual
Increased community engagement	Percentage of IPs that are present during Barangay Assemblies	Percentage of IPs that are present during Barangay Assemblies	Percentage	Level									KC M&E System	Aggregate of data captured through	Annual
Increased LGU engagement	Percentage of MLGUs that provide technical assistance in KC sub-project preparation, implementation, and monitoring, based on MOA	Percentage of MLGUs that provide technical assistance in KC sub-project preparation, implementation, and monitoring, based on MOA	Percentage	Level	NA							80%	KC M&E System	Aggregate of data captured through	Annual
Increased LGU engagement	Percentage of municipalities that provide their KC Local Counterpart Contributions (LCC) based on their LCC delivery plan	Percentage of municipalities that provide their KC Local Counterpart Contributions (LCC) based on their LCC delivery plan	Percentage	Level	NA							80%	KC M&E System	Aggregate of data captured through the regular	Annual
Increased value of sub-project benefits	Travel time	Travel time (road subprojects) computed as the average one-way travel time to the municipal poblacion	Minutes	Level	34							--	External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	Labor force participation	Percentage of people working divided by number of people of working age either employed or seeking employment	Percentage	Level	68							TBD	External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	School enrolment	Percentage of students currently enrolled or intend to enrol in school (Ages 3-5)	Percentage	Level	60%							TBD	External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	School enrolment	Percentage of students currently enrolled or intend to enrol in school * (Ages 6-11)	Percentage	Level	98%							TBD	External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	School enrolment	Percentage of students currently enrolled or intend to enrol in school * (Ages 12-15)	Percentage	Level	91%							TBD	External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	Number of beneficiary farming households	Number of farming households that benefit from agriculture subprojects	Number	Level	4,369							TBD	External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	Yield of paddy rice	Quantity of palay/rice harvested (in kilos) divided by the area of land in hectares	Kilos/ Hectare	Level	2,299							TBD	External Survey Team	Surveys	Pre and post project

Increased value of sub-project benefits	Percentage of households with access to level 1, level 2 or level 3 drinking water supply systems	Percentage of households with access to level 1, level 2 or level 3 drinking water supply systems (water subprojects)	Percentage	Level	45%						TBD		External Survey Team	Surveys	Pre and post project
Increased value of sub-project benefits	Number of visits to Barangay health facilities (health subprojects)	Average number of visits to barangay health station by household member (including households with zero visits)	Number	Level	0.4**						TBD		External Survey Team	Surveys	Pre and post project

Output Level

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Sub-projects delivered	Number of SPs with 100% physical accomplishment	Number of SPs with 100% physical accomplishment	Number	Cumulative	0						2740		SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
Sub-projects delivered	Number of barangays that have completed all the trainings during the social preparation stage	Number of barangays that have completed all the trainings during the social preparation stage including municipal orientation, barangay orientation, participatory situational analysis and community consultation	Number	Cumulative	0						3000		ACTs, MCTs, MMs, MIACs, RPMTs and NPMT	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Sub-projects delivered	Number of barangays that have completed specific training on subproject management and implementation	Number of barangays that have completed specific training on subproject management and implementation	Number	Cumulative	0						1500		ACTs, MCTs, MMs, MIACs, RPMTs and NPMT	Data capture from CEAC activities accomplishment reports from MCTs and ACTs	Annual
Sub-projects sustained	Percentage of communities and/or brgys with KC SPs that have sustainability evaluation rating of satisfactory or better	Percentage of communities and/or brgys with KC SPs that have sustainability evaluation rating of satisfactory or better	Percentage	Level	TBD end of 2014						85%		Municipal LGU/MIAC, MCT, ACT, MMs, RPMTs and NPMT	SP sustainability evaluation reports of municipalities (using KC SET)	Annual
Increased responsiveness of Local Government Units (LGUs) to community needs	Number of Gender Incentive Grant (GIG)-funded SPs	Number of GIG-funded SPs with 100% physical accomplishment	Number	Cumulative	0								SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
Increased value of sub-project benefits	Number of municipalities that have completed Gender-related training	Number of municipalities that have completed Gender-related training	Number	Cumulative	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of barangays that have completed Gender-related training	Number of barangays that have completed Gender-related training	Number	Cumulative	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of municipalities that have completed Thematic Environment Management System (TEMS) Training	Number of municipalities that have completed Thematic Environment Management System (TEMS) Training	Number	Cumulative	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of barangays that have completed Thematic	Number of barangays that have completed Thematic	Number	Cumulative	0								M&E MIS	Data capture from CEAC activities,	Annual

	Environment Management System (TEMS) Training	Environment Management System (TEMS) Training										Accomplishments from MCTs and ACTs		
Increased value of sub- project benefits	Number of barangays that have availed of the project Technical Assistance Fund (TAF)	Number of barangays that have availed of the project Technical Assistance Fund (TAF)	Number	Cumulative	0							SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
Increased value of sub- project benefits	Number of SPs that contribute to disaster risk reduction (e.g. flood control, soil and water protection, coastal rehabilitation, mangrove management)	Number of SPs that contribute to disaster risk reduction (e.g. flood control, soil and water protection, coastal rehabilitation, mangrove management)	Number	Cumulative	0							SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
	Number of people employed for SP construction	Number of people employed for SP construction	Number	Cumulative	0							SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual

Table 7: Indicator Definition and Tracking Table: SNRDP

Objective Level														
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Net incomes of road users increased	Motorized Traffic Time Cost	Measures the monetary equivalent of the time savings of users as a result of improved road conditions by comparing the with or without scenario	USD (Millions)	Cumulative	0	-	-	-	-	5.2	9.5	DPWH / External evaluation consultants	HDM4 (Aggregate)	Pre and post project
Net incomes of road users increased	Motorized Traffic Vehicle Operating Cost	Measures the cost savings of users as a result of improved road conditions	USD (Millions)	Cumulative	0	-	-	-	-	9.4	16.5	DPWH / External evaluation consultants	HDM4 (Aggregate)	Pre and post project
Outcome Level														
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Improved road quality	Roughness	Measure of the roughness of the road surface, in meters height per kilometer of distance traveled. This is measured by either an International Roughness Index (IRI) machine or taking the maximum speed that a vehicle can travel on a road and finding the corresponding roughness measure. The lower the value, the smoother the road. Typically, a paved road will have an IRI of 3 or lower, while an impassable road will have an IRI of greater than 14.	m/km	Level	7.1 ⁵					3.5	5.8	External evaluation consultants	Similar methodology used during the feasibility studies.	Pre and post project
Increased vehicle activity	Average Annual Daily Traffic	Measures average number of vehicles per day over different times (day and night) and over different seasons to arrive at an annualized daily average.	Numbers	Level	1179	-	-	-	-	1450	2720	External evaluation consultants	Similar methodology used during the feasibility studies.	Increased vehicle activity
Lower maintenance costs	Maintenance Savings	Reduction in annual Maintenance spending (in 2009US\$m)	USD (Millions)	Level	0	-	-	-	-	.4	.3	External evaluation consultants	Similar methodology used during the feasibility studies.	Pre and post project
	Road traffic fatalities	Number of road traffic fatalities per year on MCC roads. When reporting this indicator it should be compared to the average annualized daily traffic multiplied by 365 days.	Numbers	Level	TBD 4Q 2014	-	-	-	-	TBD 4Q 2014	--	Hospital reports	Secondary data analysis	Pre and post project
Output Level														
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			

⁵ This baseline is a visual estimation, not an International Roughness Index measure.

Roads rehabilitated or built	km of roads completed	The length of roads on which construction or rehabilitation is complete.	Km	Cumulative	0					222	-	PMC	Turn-over certificate	Quarterly
Roads rehabilitated or built	Km of roads vehicle-passable (lanes)	The length of roads on which construction or rehabilitation of road lanes is vehicle-passable. (two lanes x length of the road)	km	Cumulative	0					444		PMC	Progress Report	Quarterly
	number of bridges replaced	The number of bridges replaced	Number	Cumulative	0					21		PMC	Turn-over certificate	Quarterly
	number of bridges rehabilitated	The number of bridges rehabilitated	Number	Cumulative	0					39	-	PMC	Turn-over certificate	Quarterly

Process Level

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
	Kilometers of roads under design	The length of roads in kilometers under design contracts. This may include designs for building new roads and reconstruction, rehabilitation, resurfacing or upgrading existing roads.	Km	Cumulative	0	-	222	-	-	-	-	DPWH PMC	Project Progress Report	Quarterly until all design studies are submitted
	Value of road feasibility and/or design contracts signed	The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and Compact funds	USD (Millions)	Cumulative	0	-	15.02					PMC Procurement Agent	Procurement Report	Quarterly until all design contracts had been awarded
	Value of road feasibility and/or design contracts disbursed	Total amount disbursed of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and Compact funds.	USD (Millions)	Cumulative	0	-	14.19					PMC Fiscal Agent	Financial Report	Quarterly until all payment for design contracts had been disbursed
	Value of road construction contracts signed	Total value of all contracts signed for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads using Compact funds.	USD (Millions)	Cumulative	0	-	193.48*					PMC	Procurement Report	Quarterly until all construction contracts had been awarded
	Value of roads construction contracts disbursed	Total amount disbursed of all signed contracts for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads. This is a proxy indicator for physical completion of road works. However, since it includes industry standard advance payments and mobilization fees, it does not correlate perfectly with physical progress.	USD (Millions)	Cumulative	0	-	-	-	-	193.48	-	PMC	Progress Report	Quarterly until all payment for construction contracts had been disbursed
	Kilometers of roads under works contracts	The length of roads in kilometers under works contract for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.	Km	Cumulative	0		222					PMC	Progress Report	Quarterly
	Number of TIP Risk Management workshops conducted	Number of TIP Risk Management workshops conducted	Number	Cumulative	0							PMC Contractors	Project Progress Report	
	Number of workers employed	Numbers of workers employed disaggregated by gender			0							PMC Contractors	Project Progress Report	

	Number of road construction deaths	Number of road construction deaths reported (Sum of all CP (CP1mo1+CP1mo2+CP1mo3+CP2mo1...)) Disaggregated by gender, contract package	Number	Cumulative	0								PMC Contractors	Project Progress Report
	Number of work days lost due to accident	Number of work days lost due to accident (Sum of all CP (CP1mo1+CP1mo2+CP1mo3+CP2mo1...)) Disaggregated by contract package	Number	Cumulative	0								PMC Contractors	Project Progress Report
	Number of project affected entities compensated	Number of project affected entities compensated Disaggregated by (Male, Female, Entities)	Number	Cumulative	0								PMC Contractors	Project Progress Report

Table 8: Indicator Definition and Tracking Table - RARP

Objectives Level															
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Increased tax revenues over time	Tax gap	The VAT compliance gap for a particular year is the difference between revenues actually collected and the potential revenues that could have been collected given the policy framework that was in place during that year. ⁶	Percentage	Level	46% ⁷	45%	45%	TBD			TBD		IMF Technical Report	Administrative data	Baseline and Years 3 and 5
Decreased incidence of corrupt activities within the Department of Finance (DOF)	Perceptions of corruption	Perceptions that DOF, including its revenue generating agencies such as BIR and BOC is taking action to fight corruption	Percentage	Level	TBD March 2015						TBD March 2015		External survey consultant	Survey	Pre and post project
Increased revenue from new business registrants	Revenue from new and existing business registrants	Revenue collected from new and existing business registrants composed of professionals and single proprietors	PhP millions	Level	TBD					TBD	TBD		External Consultant	Special Study	Post
Outcome Level e-TIS															
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Improved efficiency	% of tax returns captured into the system	Returns captured/ total stock in BIR offices currently covered by the eTIS roll-out x 100	Percentage	Level	0					TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Improved efficiency	Filing compliance Corporate Income Tax	Actual no. of filers from BIR offices currently covered by eTIS roll-out	Number	Level	TBD end of 2014					TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Improved efficiency	Filing compliance for Personal Income Tax for business taxpayers	Actual no. of filers from BIR offices currently covered by eTIS roll-out	Number	Level	TBD end of 2014					TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Improved efficiency	Filing compliance for VAT	Actual no. of filers from BIR offices currently covered by eTIS roll-out	Number	Level	TBD end of 2014					TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Improved efficiency	Processing time of applications for	Actual average processing time per transaction in the BIR	Number of minutes	Level	TBD 4Q 2014					TBD 4Q 2014	TBD 4Q 2014		Project report	Work study	Annually

⁶ Definition aligned to the IMF definition of a VAT compliance gap. From Hutton, E and Wentworth, D. Revenue Administration Gap Analysis Program— The Value-Added Tax Gap In The Philippines. 2013

⁷ Baseline year used is 2008

	secondary registration	offices currently covered by eTIS roll-out i. Application for subsequent registration of Manual Book of Accounts												
Improved efficiency	Processing time of applications for secondary registration	Actual average processing time per transaction in the BIR offices currently covered by eTIS roll-out i. Application for subsequent registration of Manual Book of Accounts (Loose-leaf)	Number of minutes	Level	TBD 4Q 2014				TBD 4Q 2014	TBD 4Q 2014		Project report	Work study	Annually
Improved efficiency	Processing time of applications for secondary registration	Actual average processing time per transaction in the BIR offices currently covered by eTIS roll-out i. Application for subsequent request for Authority to Print (ATP) receipts/invoices	Number of minutes	Level	TBD 4Q 2014				TBD 4Q 2014	TBD 4Q 2014		Project report	Work study	Annually
Reduced discretion and opportunities for corruption	% of automatically-generated audits	% of system-generated audits by eTIS done by large taxpayer unit and RDOs that have implemented the eTIS / total number of audits done by large taxpayer unit and RDOs that have implemented the eTIS	Percentage	Level	0			TBD end of 2014	TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Quarterly starting 2Q 2014

Outcome level – AATS

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Increased revenue from audit	Revenue collection per audit	Average collection per firm using AATS (in pesos) focusing on LTS	PhP millions	Level	3			TBD end of 2014	TBD end of 2014	4.3		Special Collection Report	Administrative data	Quarterly

Outcome level – PAC

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Increased number of new business registrants	Percentage increase in the	Year-on-year increase in the number of new business registrants	Percentage	Level	1.5%			2.5%	4.0%	7.73%		BIR Report on Registration by Taxpayer Type	Administrative data	Increased number of new business registrants

	number of new business registrants	composed of single-proprietor and professionals.												
Increased satisfaction of taxpayers	Percentage of respondents reporting satisfaction with BIR services	Improvement in customer satisfaction survey scores	Percentage	Level	TBD March 2015					TBD March 2015		External Survey Consultant	Survey	Pre and Post project
Increased awareness of taxpayers	Percentage of respondents aware of change based on specific message	Awareness of taxpayers of their tax obligation in the areas of registration, filing, payment, audit, and of existing BIR services	Percentage	Level	TBD March 2015					TBD March 2015		External Survey Consultant	Survey	Pre and Post project

Outcome level – RIPS

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Increased number of resolves cases	Number of successful case resolutions	Number of personnel in DOF and its attached agencies who were charged and subsequently suspended (preventive or as a penalty); dismissed from service or convicted at the end of the Compact project.	Number	Cumulative	28	42	61	84	110	140		Summary report of resolution	Administrative data	Annually
Corruption perception	Perceptions of corrupt activities within DOF agencies	Perceptions among DOF staff and the transacting public	Percentage	Level	TBD March 2015					TBD March 2015		External Survey Consultant	Survey	Pre and Post project

Output level – eTIS

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
eTIS roll-out	Number of Revenue District Offices (RDOs) using eTIS	Number of revenue district offices that will be covered by the roll-out	Number	Cumulative	0			TBD 4Q 2014	TBD 4Q 2014	TBD 4Q 2014		Project report	Administrative data	Quarterly (once eTIS is ready for roll-out)

Output level - AATS

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Decreased time to complete an audit	Percentage of audit completed in compliance with the prescribed period of 180 days	Percentage of audit completed in compliance with the prescribed period of 180 days	Percentage	Level	1%			TBD	TBD	TBD		Summary report on BIR CAATS Collection and Assessment Performance	Administrative data	Quarterly

Increased percentage of audits using AATs	Percentage of audit cases performed using AATS	Large taxpayer unit audit cases performed using AATs	Percentage	Level	2.9%			TBD	TBD	95%		Summary report on BIR CAATS Collection and Assessment Performance	Administrative data	Quarterly	
Output level – PAC															
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Implemented communication plan	Percentage of activities undertaken based on the Communication Plan (ComPlan)	Number of activities undertaken based on the Com-Plan	Percentage	Cumulative	0						95%		Periodic Terminal Report	Administrative data	Quarterly
Output level - RIPS															
Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing/Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Increased number of DOF personnel charged	Personnel charged with graft, corruption, lifestyle and/or criminal cases	Number of personnel investigated that were charged before a quasi-judicial body (i.e. Office of the Ombudsman, Civil Service Commission) or referred with directive to the appropriate agencies (i.e. attached agencies of DOF)..	Number	Cumulative	67	95	127	165	206	250			Summary Reports of cases filed (personnel charged) generated by RIPS	Administrative data	Annually
Increased number of investigation	Number of personnel investigated	Number of leads acted upon evidenced by the issuance of Investigation Authority (IA).	Number	Cumulative	110	145	185	230	278	330			Summary Reports of IAs generated by RIPS	Administrative data	Annually
Decreased time to complete an investigation	Time taken to complete investigation (average)	Working days from time case is assigned as evidenced by the issuance of Investigation Authority (IA) to date of filing of the Complaint-Affidavit before a quasi-judicial body or referral to appropriate agency. This does not include personnel investigated who were not charged	Number	Level	120				90	60			IA and Complaint-Affidavit	Administrative data	Annually

Attachment 5: Indicator Disaggregation

Table 9: Indicators to be Disaggregated Compact Goals	
Indicator	Disaggregation
Poverty Incidence	Gender
	Male
	Female
KALAHI-CIDSS	
Indicators	Disaggregation
Change in household income of beneficiaries of subprojects due to subproject	Gender
	Male
	Female
Percentage of households that report increase in confidence to participate collectively in community development activities compared to pre-project initiation	Gender
	Male
	Female
Percentage of households with improved access to water	Gender
	Male
	Female
Percentage of households with improved access to sanitation facilities	Gender
	Male
	Female
Percentage of households with improved access to education facilities	Gender
	Male
	Female
Percentage of households with improved access to health facilities	Gender
	Male
	Female
Number of people employed for SP construction	Gender
	Male
	Female
SNRDP	
Indicators	Disaggregation
Numbers of workers employed	Gender
	Male
	Female
Number of road construction deaths reported (Sum of all CP)	Gender
	Male
	Female
	Contract Package
	CP1
	CP2
	CP3
	CP4
Number of work days lost due to accident (Sum of all CP)	Contract Package
	CP1
	CP2
	CP3
	CP4
Number of project affected entities compensated	Type
	Male
	Female
	Entities

RARP	
Indicators	Disaggregation
Perceptions of corruption	Gender
	Male
	Female
Percentage of respondents reporting satisfaction with BIR services	Gender
	Male
	Female
Percentage of respondents aware of change based on specific message	Gender
	Male
	Female
Number of successful case resolutions	Gender
	Male
	Female
Perceptions of corrupt activities within DOF agencies	Gender
	Male
	Female
Personnel charged with graft, corruption, lifestyle and/or criminal cases	Gender
	Male
	Female
Number of personnel investigated	Gender
	Male
	Female

Attachment 6: M&E Plan Modification Memo

1 Introduction

In pursuit of the thrusts of the Government of the Republic of the Philippines for sustainable economic growth and poverty reduction, the Government through the Department of Finance (DOF) and the Millennium Challenge Corporation (MCC) signed a five-year economic development Compact on September 23, 2010. With this, a total of \$434 million poverty reduction grant is made available to the country which is intended to finance the following developmental projects:

- Revenue Administration and Reform Project (RARP) of the Bureau of Internal Revenue (BIR) and Revenue Integrity Protection Service (RIPS)
- Kapit-bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) Project of the Department of Social Welfare and Development (DSWD)
- Secondary National Roads Development Project (SNRDP) of the Department of Public Works and Highways (DPWH)

The Millennium Challenge Account Philippines (MCA-P), as the accountable entity or central point of contact, plays a pivotal role to ensure that the expected results from these projects will be achieved at the end of the Compact in May 2016. It was incorporated with the Securities and Exchange Commission on January 10, 2010 as a subsidiary of the Development Bank of the Philippines Management Corporation. Comprising the MCA-P is the Board of Trustees that will set the policy direction, a Management Unit that will manage the day-to-day implementation activities, and a Stakeholders Committee composed of Citizen's representatives to ensure transparency and accountability throughout the Compact implementation period.

This M&E plan modification memo is being issued to update the M&E Plan approved in 2011. Over the course of three years, MCA-P and IEs took note of the process in collecting and reporting data. There is a common understanding that indicators need to evolve to adjust to changes in program activities and improvements in performance monitoring and measurement. These changes are needed to ensure that indicators are reporting on the progress of the programs accurately and cost-effectively. This memo identifies the indicators that will be changed.

2 MCC M&E Policy Provisions on M&E Plan Modification

MCC's Policy on Monitoring and Evaluation of Compacts and Threshold Programs (9 May 2009) provides for the following:

M&E Plans will be revised as needed during the life of the Compact to adjust to changes in the Program's design and to incorporate lessons learned for improved performance monitoring and measurement. The M&E Plan may be modified or amended without amending the Compact. However, any such modification or amendment of the M&E Plan must be approved by MCC in writing and must be otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreements.

3 Summary of Philippines' Modification of Compact Indicators

Indicators in the Philippines' Compact that were reflected in its M&E Plan have been modified in several ways:

- New indicators were added;
- A number of existing indicators were removed;
- A descriptive quality of an existing indicator may be changed such as the definition, source, frequency, etc.;

- Baselines were modified; and,
- Targets were modified.

Detailed description and justification of the modifications are described as attachments to this M&E Plan.

Attachment 7: Description and Justification of Modifications - Modification No.1 (approved by the Board on June 5, 2014)

Attachment 8.1: Compact Goals

Project: Compact Goals
Indicator: i. Growth in Gross National Product

Modification: Indicators replaced
Justification: Government of the Philippines replaced GNP in compliance to the UN System of National Accounts.

Table 10: Compact Goal : Indicator Modified

	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection
				Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
New	Growth in Gross Domestic Product	Annual growth in Gross Domestic Product (at constant 2000 prices)	Percentage	TBD	TBD	TBD	TBD	TBD	TBD	TBD	NSCB	Secondary data review	Annual
Old	Growth in Gross National Product	Annual growth in Gross National Product	Percentage	TBD						TBD	NSCB	Secondary data review	Pre and post Project

Attachment 9.2: KALAH-CIDSS

Project: KALAH-CIDSS

- Indicator:**
- i. Number of Gender Incentive Grant (GIG)-funded SPs
 - ii. Number of municipalities that have completed Gender-related training
 - iii. Number of barangays that have completed Gender-related training
 - iv. Number of municipalities that have completed Thematic Environment Management System (TEMS) Training
 - v. Number of barangays that have completed Thematic Environment Management System (TEMS) Training
 - vi. Number of barangays that have availed of the project Technical Assistance Fund (TAF)
 - vii. Number of SPs that contribute to disaster risk reduction (e.g. flood control, soil and water protection, coastal rehabilitation, mangrove management)
 - viii. Number of people employed for SP construction

Modification: Indicators added

Justification: The addition of indicators pertaining to gender mainstreaming and environmental management in KC sub-projects is essential in determining the added value and benefits of the sub-projects. Halfway in Compact Implementation, the gender and environmental focus in sub-project implementation have been strengthened. The addition of indicators is prescribed in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.1., Cause no. 3, Adding Indicators.

Table 11: KALAH-CIDSS | Indicators Added

Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
				Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Increased responsiveness of Local Government Units (LGUs) to community needs	Number of Gender Incentive Grant (GIG)-funded SPs	Number of GIG-funded SPs with 100% physical accomplishment	Number	0								SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
Increased value of sub-project benefits	Number of municipalities that have completed Gender-related training	Number of municipalities that have completed Gender-related training	Number	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of barangays that have completed Gender-related training	Number of barangays that have completed Gender-related training	Number	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of municipalities that have completed Thematic Environment Management System (TEMS) Training	Number of municipalities that have completed Thematic Environment Management System (TEMS) Training	Number	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of barangays that have completed Thematic Environment Management System (TEMS) Training	Number of barangays that have completed Thematic Environment Management System (TEMS) Training	Number	0								M&E MIS	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Increased value of sub-project benefits	Number of barangays that have availed of the project Technical Assistance Fund (TAF)	Number of barangays that have availed of the project Technical Assistance Fund (TAF)	Number	0								SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
Increased value of sub-project benefits	Number of SPs that contribute to disaster risk reduction (e.g. flood control, soil and water protection, coastal rehabilitation, mangrove management)	Number of SPs that contribute to disaster risk reduction (e.g. flood control, soil and water protection, coastal rehabilitation, mangrove management)	Number	0								SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
	Number of people employed for SP construction	Number of people employed for SP construction	Number	0								SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual

- Project:** KALAH-CIDSS
- Indicator:**
- Objective
 - i. Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre-project
 - ii. Percentage of MT municipalities have established expanded MDCs for broader consultation with civil society representatives to obtain inputs for the Municipal Development Plans
 - iii. Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O & M
 - iv. Percentage of households that report increase in confidence to participate collectively in community development activities compared to project initiation
 - v. Change in household income of beneficiaries of projects due to sub-project
 - Outcome
 - vi. Percentage of members from marginalized groups attending Barangay Assemblies
 - vii. Travel time
 - viii. Labor force participation
 - ix. School enrolment
 - x. Number of beneficiary farming households
 - xi. Yield of paddy rice
 - xii. Number of visits to barangay health facilities
 - Output
 - xiii. Number of SPs with 100% physical accomplishment
 - xiv. Number of barangays that have completed all the trainings during the social preparation stage

Modification: Indicators modified

Justification: Indicators are modified and refined in terms of definition, baselines, targets, source, methodology or timeline. Indicator names were changed to reflect the measurements and data captured in the baseline study conducted by an external evaluator. Provision was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.1., cause no. 3, Modifying Indicators for changing the descriptive quality of an existing indicator such as definition, source, frequency etc.

Similarly, baselines were changed to reflect the data resulting from the baseline study conducted by an external evaluator. Provision for Modifying baseline was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.2. , cause No. 1 and 3, Modifying Baselines. Some of the baselines were changed as a result of new study.

Provision for modifying targets was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.3., cause No. 2.1 and 2.3, Modifying Targets.

Also, the indicators' data source, data collection methodology and timing/frequency of data collection changed. Provision for other modifications aside from those stated above was included in the Monitoring Evaluation Policy of Compacts and Threshold Programs, Paragraph 4.2.5, Other Modifications.

Table 12: KALAH-CIDSS | Indicators Modified

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
New	Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre project	Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre project	Percentage	0						TBD 4Q 2014		Special Study External Consultant	Impact Survey	Annual
Old	Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre project	Percentage of legislated municipal budgets with at least 10% increase in allocation for community identified priorities compared to pre project	Percentage	0						TBD end of 2012		External consultant team	Impact survey	Annual
New	Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of MT municipalities which have established expanded MDCs for broader consultation with civil society representatives to obtain inputs for the Municipal Development Plans	Percentage of MT municipalities which have established expanded MDCs for broader consultation with civil society representatives to obtain inputs for the Municipal Development Plans	Percentage	TBD 4Q 2014			85%					M&E MIS	MCD resolutions, Process observation reports from KCAF municipal project teams	Annual
Old	Increased responsiveness of Local Government Units (LGUs) to	Percentage of MT municipalities have established expanded MDCs for broader consultation with civil society representatives to obtain	Percentage of MT municipalities have established expanded MDCs for broader consultation with civil society representatives to obtain inputs for the Municipal Development Plans	Percentage	TBD end of 2012						85%		MCT, MMs, RPMT and NPMT CPS and M&Es	MDC resolutions Process observation reports from	Annual

	community needs	inputs for the Municipal Development Plans										KCAF municipal project teams		
New	Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O & M	Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O&M	Percentage	100					100		M&E MIS	Aggregate of data captured during regular progress reporting.	Annual
Old	Increased responsiveness of Local Government Units (LGUs) to community needs	Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O&M	Percentage of MLGUs that provide funding support for KALAH-CIDSS sub-project O&M	Percentage	TBD end of 2012					TBD end of 2012		KC M&E System SET	Aggregate of data captured during regular progress reporting.	Annual
New	Increased community engagement in development activities	Percentage of households that report increase in confidence to participate collectively in community development activities compared to pre-project initiation	Percentage of households that report increase in confidence to participate collectively in community development activities compared to pre-project initiation	Percentage	0					30%		External consultant	Impact survey	Pre and post project
Old	Increased community engagement in development activities	Percentage of households that report increase in confidence to participate collectively in community development activities compared to project initiation	Percentage of households that report increase in confidence to participate collectively in community development activities compared to project initiation	Percentage	0					30%		KC M and E system External consultant	Aggregate of data captured during regular progress reporting. Impact survey	Annual
New	Increased value of sub-project benefits	Change in household income of beneficiaries of subprojects due to subproject	Change in household income of beneficiaries of subprojects due to subproject	Percentage	0					TBD		External Consultant	Household Survey	Pre and post project
Old	Increased value of sub-project benefits	Change in household income of beneficiaries of subprojects due to subproject	Change in household income of beneficiaries of subprojects due to subproject	Percentage	TBD end of 2012					TBD end of 2012		External Survey Team	Household survey	Pre and post project
New	Increased community engagement	Percentage of females that are present during Barangay Assemblies	Percentage of females that are present during Barangay Assemblies	Percentage								KC M&E System	Aggregate of data captured through	Annual
New	Increased community engagement	Percentage of IPs that are present during Barangay Assemblies	Percentage of IPs that are present during Barangay Assemblies	Percentage								KC M&E System	Aggregate of data captured through	Annual
Old	Increased community engagement	Percentage of members from marginalized groups attending Barangay Assemblies	Percentage of members from marginalized groups attending Barangay Assemblies	Percentage	35					50%		KC M&E System	MIS Data Data capture from CEAC activities accomplishment reports from MCTs and ACTs	Annual
New	Increased value of sub-project benefits	Travel time	Travel time (road subprojects) computed as the average one-way travel time to the municipal poblacion	Minutes	34					--		External Survey Team	Surveys	Pre and post project
Old	Increased value of sub-project benefits	Time savings	Change in travel time (road subprojects)	Minutes	TBD end of 2012					TBD end of 2012		External Survey Team	Surveys	Pre and post Project
New	Increased value of sub-project benefits	Labor force participation	Percentage of people working divided by number of people of working age either employed or seeking employment	Percentage	68					TBD		External Survey Team	Surveys	Pre and post project
Old	Increased value of sub-project benefits	Labor force participation	Number of people working divided by number of people of working age	Percentage	TBD end of 2012					TBD		External Survey Team	Surveys	Pre and post Project

			either employed or seeking employment							end of 2012			
New	Increased value of sub-project benefits	Number of beneficiary farming households	Number of farming households that benefit from agriculture subprojects	Number	4,369					TBD	External Survey Team	Surveys	Pre and post project
Old	Increased value of sub-project benefits	Number of beneficiary farming households	Number of farming households that benefit from agriculture subprojects	Number	TBD end of 2012					TBD end of 2012	External Survey Team	Surveys	Pre and post Project
New	Increased value of sub-project benefits	School enrolment	Percentage of students currently enrolled or intend to enrol in school * (Ages 3-5)	Percentage	60%					TBD	External Survey Team	Surveys	Pre and post project
New	Increased value of sub-project benefits	School enrolment	Percentage of students currently enrolled or intend to enrol in school * (Ages 6-11)	Percentage	98%					TBD	External Survey Team	Surveys	Pre and post project
New	Increased value of sub-project benefits	School enrolment	Percentage of students currently enrolled or intend to enrol in school * (Ages 12-15)	Percentage	91%					TBD	External Survey Team	Surveys	Pre and post project
Old	Increased value of sub-project benefits	School enrolment	Number of students enrolled in school (school subprojects)	Number	TBD end of 2012					TBD end of 2012	External Survey Team	Surveys	Pre and post Project
New	Increased value of sub-project benefits	Yield of paddy rice	Quantity of palay/rice harvested (in kilos) divided by the area of land in hectares	Kilos/ Hectare	2,299					TBD	External Survey Team	Surveys	Pre and post project
Old	Increased value of sub-project benefits	Yield of paddy rice	Dollar value of yield of paddy rice due to agriculture subprojects	US Dollars	TBD end of 2012					TBD end of 2012	External Survey Team	Surveys	Pre and post Project
New	Increased value of sub-project benefits	Number of visits to Barangay health facilities (health subprojects)	Average number of visits to barangay health station by household member (including households with zero visits)	Number	0.4**					TBD	External Survey Team	Surveys	Pre and post project
Old	Increased value of sub-project benefits	Number of visits to Barangay health facilities (health subprojects)	Number of visits to Barangay health facilities (health subprojects)	Number	TBD end of 2012					TBD end of 2012	External Survey Team	Surveys	Pre and post Project
New	Sub-projects delivered	Number of SPs with 100% physical accomplishment	Number of SPs with 100% physical accomplishment	Number	0					2740	SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
Old	Sub-projects delivered	Number of completed KC SPs implemented in compliance with technical plans and within schedule and budget	Number of completed KC SPs implemented in compliance with technical plans and within schedule and budget	Number	NA					2740	SP Tracking System	Data capture from reports of the KCAF engineering unit	Annual
New	Sub-projects delivered	Number of barangays that have completed all the trainings during the social preparation stage	Number of barangays that have completed all the trainings during the social preparation stage including municipal orientation, barangay orientation, participatory situational analysis and community consultation	Number	0					3000	ACTs, MCTs, MMs, MIACs, RPMTs and NPMT	Data capture from CEAC activities, Accomplishments from MCTs and ACTs	Annual
Old	Sub-projects delivered	Number of barangays that have completed training on PSA, planning, project dev't, and M&E	Number of barangays that have completed training on PSA, planning, project dev't, and M&E	Number	NA					3000	ACTs, MCTs, MMs, MIACs, RPMTs and NPMT	Data capture from CEAC activities accomplishment reports from MCTs and ACTs	Annual

Project: KALAHI-CIDSS

Indicator: i. Percentage of households reporting better access to basic services
 ii. Volume of water consumption from improved sources

Modification: Indicators replaced (indicators removed then replaced with additional indicators)

Justification: Replacement of indicators was done as the existing indicators are not sufficient to measure progress towards results. Removed indicators were replaced by indicators that are more relevant to the project.

Table 13: KALAHI-CIDSS | Indicators Replaced

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Removed	Increased value of sub-project benefits	Percentage of households reporting better access to basic services	Percentage of households reporting better access to basic services	Percentage	0						40%		External Survey Team	Surveys FGD	Pre and post project
Added	Increased value of sub-project benefits	Percentage of households with access to sanitation facilities	Percentage of households with access to sanitation facilities	Percentage	0								External Survey Team	Surveys FGD	Pre and post project
Removed	Increased value of sub-project benefits	Volume of water consumption from improved sources	Household volume of water consumption from improved sources (water subprojects)	Volume	TBD end of 2012						TBD end of 2012		External Survey Team	Surveys	Pre and post Project
Added	Increased value of sub-project benefits	Percentage of households with access to level 1, level 2 or level 3 drinking water supply systems	Percentage of households with access to level 1, level 2 or level 3 drinking water supply systems (water subprojects)	Percentage	45%						TBD		External Survey Team	Surveys	Pre and post project

Project: KALAHI-CIDSS
Indicator: i. Post-harvest losses
Modification: Indicators deleted
Justification: Number of post-harvest subprojects is very small

Table 14: KALAHI-CIDSS | Indicators Deleted

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Removed	Increased value of sub-project benefits	Post-harvest losses	Dollar value of volume of produce lost post-harvest (agriculture subprojects)	US Dollars	TBD end of 2012						TBD end of 2012		External Survey Team	Surveys	Pre and post Project

Attachment 10.3: SNRDP

- Project:** SNRDP
- Indicator:**
- i. Roughness
 - ii. Average Annual Daily Traffic
 - iii. Maintenance Savings
 - iv. Road traffic fatalities
 - v. km of roads completed
 - vi. number of bridges replaced
 - vii. number of bridges rehabilitated
 - viii. Value of road feasibility and/or design contracts signed
 - ix. Value of road feasibility and/or design contracts disbursed
 - x. Value of road construction contracts signed
 - xi. Value of roads construction contracts disbursed
 - xii. Kilometers of roads under works contracts

Modification: Indicators modified

Justification: Indicators are modified and refined in terms of definition, baselines, targets, source, methodology or timeline. Indicator names were changed to reflect the measurements and data captured in the baseline study conducted by an external evaluator. Provision was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.1., cause no. 3, Modifying Indicators for changing the descriptive quality of an existing indicator such as definition, source, frequency etc.

Similarly, baselines were changed to reflect the data resulting from the baseline study conducted by an external evaluator. Provision for Modifying baseline was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.2. , cause No. 1 and 3, Modifying Baselines. Some of the baselines were changed as a result of new study.

Provision for modifying targets was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.3., cause No. 2.1 and 2.3, Modifying Targets.

Also, the indicators' data source, data collection methodology and timing/frequency of data collection changed. Provision for other modifications aside from those stated above was included in the Monitoring Evaluation Policy of Compacts and Threshold Programs, Paragraph 4.2.5, Other Modifications.

Table 15: SNRDP | Indicators Modified

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
New	Improved road quality	Roughness	Measure of the roughness of the road surface, in meters height per kilometer of distance traveled. This is measured by either an International Roughness Index (IRI) machine or taking the maximum speed that a vehicle can travel on a road and finding the corresponding roughness measure. The lower the value, the smoother the road. Typically, a paved road will have an IRI of 3 or lower, while an impassable road will have an IRI of greater than 14.	m/km	7.1 ⁸						3.5	5.8	External evaluation consultants	Similar methodology used during the feasibility studies.	Pre and post project
Old	Improved road quality	Roughness	Measure of the roughness of the road surface, in meters height per kilometer of distance traveled. This is measured by either an International Roughness Index (IRI) machine or taking the maximum speed that a vehicle can travel on a road and finding the corresponding roughness measure. The lower the value, the smoother the road. Typically, a paved road will have an IRI of 3 or lower, while an impassable road will have an IRI of greater than 14.	m/km	7.1 ⁹						3.5	5.8	DPWH	Data collection using MIDAS	Pre and post project

⁸ This baseline is a visual estimation, not an International Roughness Index measure.

⁹ This baseline is a visual estimation, not an International Roughness Index measure.

New	Increased vehicle activity	Average Annual Daily Traffic	Measures average number of vehicles per day over different times (day and night) and over different seasons to arrive at an annualized daily average.	Numbers	1179	-	-	-	-	1450	2720	External evaluation consultants	Similar methodology used during the feasibility studies.	Increased vehicle activity
Old	Increased vehicle activity	Average Annual Daily Traffic	Measures average number of vehicles per day over different times (day and night) and over different seasons to arrive at an annualized daily average.	Numbers	1179	-	-	-	-	1450	2720	DPWH / External evaluation consultants	HDM4 Traffic survey	Pre and post project
New	Lower maintenance costs	Maintenance Savings	Reduction in annual Maintenance spending (in 2009US\$m)	USD (Millions)	0	-	-	-	-	.4	.3	External evaluation consultants	Similar methodology used during the feasibility studies.	Pre and post project
Old	Lower maintenance costs	Maintenance Savings	Reduction in annual Maintenance spending (in 2009US\$m)	USD (Millions)	0	-	-	-	-	.4	.3	DPWH / External evaluation consultants	HDM4	Pre and post project
New		Road traffic fatalities	Number of road traffic fatalities per year on MCC roads. When reporting this indicator it should be compared to the average annualized daily traffic multiplied by 365 days.	Numbers	TBD 4Q 2014	-	-	-	-	TBD 4Q 2014	--	Hospital reports	Secondary data analysis	Pre and post project
Old		Road traffic fatalities	Number of road traffic fatalities per year on MCC roads. When reporting this indicator it should be compared to the average annualized daily traffic multiplied by 365 days.	Numbers	TBD end of 2012	-	-	-	-	TBD end of 2012	TBD end of 2012	DILG / PNP	Police reports	Pre and post project
New	Roads rehabilitated or built	km of roads completed	The length of roads on which construction or rehabilitation is complete.	Km	0					222	-	PMC	Turn-over certificate	Quarterly
Old	Roads rehabilitated or built	km of roads completed	The length of roads on which construction or rehabilitation is complete.	Km	0	-	TBD end of 2012	TBD end of 2012	TBD end of 2012	222	-	DPWH PMC	Project Progress Report	Quarterly
New		number of bridges replaced	The number of bridges replaced	Number	0	-				21		PMC	Turn-over certificate	Quarterly
Old		number of bridges replaced	The number of bridges replaced	Number	0	-	TBD end of 2012	-	DPWH PMC	Project Progress Report	Quarterly			
New		number of bridges rehabilitated	The number of bridges rehabilitated	Number	0	-	-	-	-	39	-	PMC	Turn-over certificate	Quarterly
Old		number of bridges rehabilitated	The number of bridges rehabilitated	Number	0	-	TBD end of 2012	-	DPWH PMC	Project Progress Report	Quarterly			
New		Value of road feasibility and/or design contracts signed	The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and Compact funds	USD (Millions)	0	-	15.02					PMC Procurement Agent	Procurement Report	Quarterly until all design contracts had been awarded
Old		Value of road feasibility and/or design contracts signed	The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and Compact funds	USD (Millions)	0	-	15.803	-	-	-	-	PMC Procurement Agent	Procurement Report	Quarterly until all design contracts had been awarded
New		Value of road feasibility and/or design contracts disbursed	Total amount disbursed of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and Compact funds.	USD (Millions)	0	-	15.02					PMC Fiscal Agent	Financial Report	Quarterly until all payment for design contracts had been disbursed

Old		Value of road feasibility and/or design contracts disbursed	Total amount disbursed of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and Compact funds.	USD (Millions)	0	-	15.803	-	-	-	-	PMC Fiscal Agent	Financial Report	Quarterly until all payment for design contracts had been disbursed
New		Value of road construction contracts signed	Total value of all contracts signed for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads using Compact funds.	USD (Millions)	0	-	193.48 ¹⁰					PMC	Procurement Report	Quarterly until all construction contracts had been awarded
Old		Value of road construction contracts signed	Total value of all contracts signed for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads using Compact funds.	USD (Millions)	0	-	175.85	-	-	-	-	PMC Procurement Agent	Procurement Report	Quarterly until all construction contracts had been awarded
New		Value of roads construction contracts disbursed	Total amount disbursed of all signed contracts for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads. This is a proxy indicator for physical completion of road works. However, since it includes industry standard advance payments and mobilization fees, it does not correlate perfectly with physical progress.	USD (Millions)	0	-	-	-	-	193.48	-	PMC	Progress Report	Quarterly until all payment for construction contracts had been disbursed
Old		Value of roads construction contracts disbursed	Total amount disbursed of all signed contracts for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads. This is a proxy indicator for physical completion of road works. However, since it includes industry standard advance payments and mobilization fees, it does not correlate perfectly with physical progress.	USD (Millions)	0	-	TBD end of 2012	TBD end of 2012	TBD end of 2012	175.85	-	PMC Fiscal Agent	Financial Report	Quarterly until all payment for construction contracts had been disbursed
New		Kilometers of roads under works contracts	The length of roads in kilometers under works contract for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.	Km	0		222					PMC	Progress Report	Quarterly
Old		Kilometers of roads under works contracts	The length of roads in kilometers under works contract for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.	Km	0	-	TBD end of 2012	TBD end of 2012	TBD end of 2012	222	-	PMC Procurement Agent	Procurement Report	Quarterly until all construction contracts had been awarded

¹⁰ Additional funding was given by GPH

Project: SNRDP
Indicator: i. Km of roads vehicle passable (lanes)
Modification: Indicators added
Justification: Indicator added to capture physical completion of the road construction instead of waiting for roads turnover.

Table 16: SNRDP | Indicators Added

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Added	Roads rehabilitated or built	Km of roads vehicle-passable (lanes)	The length of roads on which construction or rehabilitation of road lanes is vehicle-passable. (two lanes x length of the road)	km	0						444		PMC	Progress Report	Quarterly

Project: SNRDP
Indicator: i. Construction are proceeding in adherence to environmental safeguards as specified in the Environmental Management Plan and the Environment Compliance Certificate
Modification: Indicators deleted
Justification: The indicator was deleted because this is function of regular reporting rather than reporting through ITT

Table 17: SNRDP | Indicators Deleted

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Deleted		Construction are proceeding in adherence to environmental safeguards as specified in the Environmental Management Plan and the Environment Compliance Certificate	This will be reported as 1 (one) if construction is proceeding in adherence to environmental safeguards as specified in the Environmental Management Plan and the Environment Compliance Certificate and a 0 (zero) if not. in the tracking table	0 or 1	-	-	1	1	1	1	-	PMC Contractors	Project Progress Report	Quarterly

Project: SNRDP

- Indicator:**
- i. Construction are proceeding in adherence to gender requirements and safeguards and specified in the gender integration plan
 - ii. Construction are proceeding in adherence to safety standards as specified in the Environmental management Plan
 - iii. Number of project affected parties resettled.

Modification: Indicators replaced (indicators removed then replaced with additional indicators)

Justification: Replacement of indicators was done as the existing indicators are not sufficient to measure progress towards results. Removed indicators were replaced by indicators that are more relevant to the project.

Table 18: SNRDP | Indicators Replaced

Results	Indicator Name	Definition	Unit	Classification	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
Removed	Construction are proceeding in adherence to gender requirements and safeguards and specified in the gender integration plan.	This will be reported as 1 (one) if construction is proceeding in adherence to gender requirements and safeguards as specified in the Gender Integration Plan and a 0 (zero) if not in the tracking table	0 or 1		-	-	1	1	1	1	-	PMC Contractors	Project Progress Report	Quarterly
Added	Number of TIP Risk Management workshops conducted	Number of TIP Risk Management workshops conducted	Number	Cumulative	0							PMC Contractors	Project Progress Report	Quarterly
Added	Number of workers employed	Numbers of workers employed disaggregated by gender	Number	Cumulative	0							PMC Contractors	Project Progress Report	Quarterly
Removed	Construction are proceeding in adherence to safety standards as specified in the Environmental management Plan	This will be reported as 1 (one) if construction is proceeding in adherence to environmental safeguards as specified in the Environmental Management Plan and the Environment Compliance Certificate and a 0 (zero) if not in the tracking table	0 or 1		-	-	1	1	1	1	-	PMC Contractors	Project Progress Report	Quarterly
Added	Number of road construction deaths	Number of road construction deaths reported (Sum of all CP (CP1mo1+CP1mo2+CP1mo3+CP2mo1...)) Disaggregated by gender, contract package	Number	Cumulative	0							PMC Contractors	Project Progress Report	Quarterly
Added	Number of work days lost due to accident	Number of work days lost due to accident (Sum of all CP (CP1mo1+CP1mo2+CP1mo3+CP2mo1...)) Disaggregated by contract package	Number	Cumulative	0							PMC Contractors	Project Progress Report	Quarterly
Removed	Number of project affected parties resettled.	Number of project affected persons resettled in adherence to World Bank relocation standards	Number		0	-	TBD end of 2012	-	-	-	-	External RAP Implementing and Monitoring agents	RAP Project Report	Quarterly until resettlement has finished
Added	Number of project affected entities compensated	Number of project affected entities compensated Disaggregated by (Male, Female, Entities)	Number	Cumulative	0							PMC Contractors	Project Progress Report	Quarterly

Attachment 11.4: RARP

Project: RARP

Indicator: i. Agency Integrity Index (BIR)
ii. Processing time of applications for primary registration

Modification: Indicators deleted

Justification: For Agency Integrity Index - There are no existing BIR data collection activities yet that will generate report against this indicator. Latest update from BIR revealed that with the implementation of the Integrity Management Program (IMP), the Agency Integrity Index has been superseded by the Integrity Scorecard in measuring the Bureau's level of achievement given the different dimensions of the IMP.

Deleting this indicator will not have a bearing on the computed Economic Rate of Return (ERR).

For processing time for Primary Registration – Since eTIS intends to focus on back-end operations relative to registration, filing, payment and audit, it is still vague on how it will affect processing time of application for primary registration.

Table 19: RARP | Indicators Deleted

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
Deleted	Decreased incidence of corrupt activities within the Department of Finance (DOF)	Agency Integrity Index (BIR)	Change in net satisfaction rating which will be developed based on a rating system under the previous Integrity Development Action Plan (IDAP)	Number	TBD end of 2012						TBD end of 2012		External survey consultant	Survey	Annually
Deleted	Improved efficiency	Processing time of applications for primary registration	Difference in the processing time between the current and previous year	Number of hours	TBD end of 2012						TBD end of 2012		BIR KPI Report	Time and Motion Study	Annually

Project:	RARP
Indicator:	<ul style="list-style-type: none"> i. Tax gap ii. Perceptions of corruption iii. % of tax returns captured into the system iv. Filing compliance % Corporate Income Tax v. Filing compliance % for Personal Income Tax for business taxpayers vi. Filing compliance % for VAT vii. Processing time of applications for secondary registration viii. Number of automatically-generated audits ix. Revenue collection per audit x. Revenue from new business registrants to include corporation, single-proprietor and professionals xi. Percentage of respondents reporting satisfaction with BIR services xii. Percentage of respondents aware of change based on specific message xiii. Number of successful case resolutions xiv. Perceptions of corrupt activities within DOF agencies xv. Number of Revenue District Offices (RDOs) using eTIS xvi. Percentage of audit completed in compliance with the prescribed period of 120 days xvii. Percentage of audit cases performed using AATS xviii. Percentage increase in the number of new business registrants xix. Percentage of activities undertaken based on the Communication Plan (ComPlan) xx. Personnel charged with graft, corruption, lifestyle and/or criminal cases xxi. Number of personnel investigated xxii. Time taken to complete investigation (average)

Modification: Indicators modified

Justification: Indicators are modified and refined in terms of definition, baselines, targets, source, methodology or timeline. Provision was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.1., cause no. 3, Modifying Indicators for changing the descriptive quality of an existing indicator such as definition, source, frequency etc.

Provision for modifying targets was included in the Monitoring and Evaluation Policy of Compacts and Threshold Programs, Paragraph 5.2.3., cause No. 2.1 and 2.3, Modifying Targets.

Also, the indicators' data source, data collection methodology and timing/frequency of data collection changed. Provision for other modifications aside from those stated above was included in the Monitoring Evaluation Policy of Compacts and Threshold Programs, Paragraph 4.2.5, Other Modifications.

Tax Gap – adopted the definition used by IMF. Reported figures were taken from the IMF study of 2013.

Revenue from new business registrants to include corporation, single-proprietor and professionals – Since there is a challenge in collecting data for this indicator and clearly establishing the direct contribution from the PAC standpoint, this indicator will be transferred to the objective level since increased revenue is not only attributed to the PAC but also because of other RARA sub-activities.

Perception of corruption - Baseline figure will be derived from the RARP Baseline Study, which will not be available in time for this year's modification. The baseline figure will then be used as basis of BIR to set the end-of-compact target

% of tax returns captured into the system, Filing compliance % Corporate Income Tax, Filing compliance % for Personal Income Tax for business taxpayers, Filing compliance % for VAT - The definition of indicator on filing compliance % for corporate income tax, personal income tax and VAT needs to be revised considering the available data on the actual number filers and basis for computing the expected number of filers. In addition, the definition of these indicators including % of tax returns captured into the system includes the expected roll-out coverage of eTIS, which will be done in work packages in the target BIR offices. Actuals will be reported starting 4Q of 2014 depending on the eTIS roll-out schedule and coverage. The source of data was also changed so as not to compromise the BIR disclosure policy. The reported data will be collected through project monitoring.

Number of automatically-generated audits - The changes consider the eTIS roll-out schedule and coverage on how to reckon progress over time given the baseline figure of 0. Source of data to verify reported actuals will be project report and collection will start in 4Q 2014 given the expected roll-out of eTIS.

Revenue collection per audit - The indicator name clarifies that revenue collected from the conduct of audit will be derived from LTS. The source of data has been changed to Special Collection Report to comply with the public disclosure policy of BIR.

Percentage of audit completed in compliance with the prescribed period of 120 days – This indicator has been changed to reflect the new directive from BIR. Past Revenue Memorandum Issuances (RMO) governing the handling of letters of authority, the number of days vary between 120 and 180 days. The latest however is RMO 069-10 where it requires cases covered with eLAs to be submitted within 180 days. Said RMO also applies for Large Taxpayers Service and have not been amended yet. RMOs are enumerated hereunder. The other proposal of categorizing the indicator between 60, 90 and xxx no. of days would not apply in this case as most of the cases handled in LTS are comprehensive audit meaning it covers all internal revenue taxes especially for 2011 cases where the indicators are measured. The proposal applies to specific audit of VAT cases only.

Percentage of respondents aware of change based on specific message - The baseline will be derived from the RARP Baseline Study, which will not be available in time for this year's modification. End-of compact target will be supplied by BIR once the baseline figure has been established.

Activities undertaken based on the Communication Plan (ComPlan) - The end-of compact target of 100% was changed to 95% to accommodate slippage given the possible effect of the 2016 national elections. Using the baseline and end-of compact targets, the annual targets were supplied.

Number of successful case resolutions - The definition was changed to accurately describe what the indicator is reporting on and to tighten the scope to remove vagueness. The annual targets were also reflected considering the progression from the baseline to the end-of compact figures. The original source identified does not contain the information needed for the indicator. Previous reports on this indicator were done by going through the primary documents but there were confidentiality issues involved. To resolve these issues, it was agreed that RIPS will generate a summary report of resolution without any personal information on the personnel.

Perceptions of corrupt activities within DOF agencies - Baseline figure will be derived from the RARP Baseline Study, which will not be available in time for this year's modification. Inputs from the RARP Impact Evaluation Consultant will also be incorporated.

Personnel charged with graft, corruption, lifestyle and/or criminal cases - The change is meant to simplify the indicator and to capture charges that might be filed by RIPS but are not included in the old indicator name. The definition was likewise changed to accurately describe what the indicator was reporting on. The changes also tightened the scope to remove vagueness. Originally identified source of data does not contain the information needed for the indicator. Previous reports on this indicator were done by going through the primary documents but there were confidentiality issues involved. To resolve these issues, RIPS will generate a summary report without any personal information posted.

Number of personnel involved in opened cases - In general, the indicator's definition was changed to accurately describe what the indicator was reporting on. The changes also tightened the scope to remove vagueness. Originally identified source of data does not contain the information needed for the indicator. Previous reports on this indicator were done by going through the primary documents but there were confidentiality issues involved. To resolve these issues, RIPS will generate a summary report without any personal information posted. RIPS also supplied the annual targets using the baseline and end-of compact targets as bases.

Working days from case opened to resolution - The definition of the indicator was changed to accurately describe what it is supposed to report on. The changes also tightened the scope to remove vagueness on how to reckon the start and end an investigation. Since the RIPS Information System comprised of the case management system, document management, automated investigation tool and reporting will only be put in place by Q1 2015, the target was only reflected for Year 4. With the proposed sharpening of the definition of this indicator, it becomes apparent that the IA and Complaint Affidavit will be the most appropriate source of data.

Table 20: RARP | Indicators Modified

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection	
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20				
New	Increased tax revenues over time	Tax gap	The VAT compliance gap for a particular year is the difference between revenues actually collected and the potential revenues that could have been collected given the policy framework that was in place during that year. ¹¹	Percentage	46% ¹²	45%	45%	TBD			TBD		IMF Technical Report	Administrative data	Baseline and Years 3 and 5
Old	Increased tax revenues over time	Tax gap	Percentage of tax potential that is actually collected (VAT only)	Percentage	TBD								IMF Technical Report	Administrative data	Baseline and Years 3 and 5
New	Decreased incidence of corrupt activities within the Department of Finance (DOF)	Perceptions of corruption	Perceptions that DOF, including its revenue generating agencies such as BIR and BOC is taking action to fight corruption	Percentage	TBD 4Q 2014						TBD 4Q 2014		External survey consultant	Survey	Pre and post project
Old	Decreased incidence of	Perceptions of corruption	Perceptions that DOF (including its attached agencies) is taking action to fight corruption	Percentage	TBD						TBD		External survey consultant	Survey	Pre and post project

¹¹ Definition aligned to the IMF definition of a VAT compliance gap. From Hutton, E and Wentworth, D. Revenue Administration Gap Analysis Program— The Value-Added Tax Gap In The Philippines. 2013.

¹² As of 2008.

	corrupt activities within the Department of Finance (DOF)				end of 2012					end of 2012				
New	Improved efficiency	% of tax returns captured into the system	Returns captured/ total stock in BIR offices currently covered by the eTIS roll-out x 100	Percentage	0				TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Old	Improved efficiency	% of tax returns captured into the system	Returns captured/ total stock x 100	Percentage	TBD end of 2012					TBD end of 2012		BIR Key Performance Indicator (KPI) Report on Returns Encoded	Administrative data	Annually
New	Improved efficiency	Filing compliance Corporate Income Tax	Actual no. of filers from BIR offices currently covered by eTIS roll-out	Number	TBD end of 2014				TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Old	Improved efficiency	Filing compliance % Corporate Income Tax	Actual no. of filers over expected number of filers x 100	Percentage	TBD end of 2012					TBD end of 2012		BIR Report on Filed Returns	Administrative data	Annually
New	Improved efficiency	Filing compliance for Personal Income Tax for business taxpayers	Actual no. of filers from BIR offices currently covered by eTIS roll-out	Number	TBD end of 2014				TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Old	Improved efficiency	Filing compliance % for Personal Income Tax for business taxpayers	Actual no. of filers over expected number of filers x 100	Percentage	TBD end of 2012					TBD end of 2012		BIR Report on Filed Returns	Administrative data	Annually
New	Improved efficiency	Filing compliance for VAT	Actual no. of filers from BIR offices currently covered by eTIS roll-out	Number	TBD end of 2014				TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Annually
Old	Improved efficiency	Filing compliance % for VAT	Actual no. of filers over expected number of filers x 100	Percentage	TBD end of 2012					TBD end of 2012		BIR Report on Filed Returns	Administrative data	Annually
New	Improved efficiency	Processing time of applications for secondary registration	Actual average processing time per transaction in the BIR offices currently covered by eTIS roll-out ii. Application for subsequent registration of Manual Book of Accounts	Number of minutes	TBD 4Q 2014				TBD 4Q 2014	TBD 4Q 2014		Project report	Work study	Annually
New	Improved efficiency	Processing time of applications for secondary registration	Actual average processing time per transaction in the BIR offices currently covered by eTIS roll-out ii. Application for subsequent registration of Manual Book of Accounts (Loose-leaf)	Number of minutes	TBD 4Q 2014				TBD 4Q 2014	TBD 4Q 2014		Project report	Work study	Annually
New	Improved efficiency	Processing time of applications for secondary registration	Actual average processing time per transaction in the BIR offices currently covered by eTIS roll-out ii. Application for subsequent request for Authority to Print (ATP) receipts/invoices	Number of minutes	TBD 4Q 2014				TBD 4Q 2014	TBD 4Q 2014		Project report	Work study	Annually
Old	Improved efficiency	Processing time of applications for	Difference in the processing time between the current and previous year	Number of hours	TBD end of 2012					TBD end of 2012		BIR KPI Report	Time and Motion Study	Annually

		secondary registration												
New	Reduced discretion and opportunities for corruption	% of automatically-generated audits	% of system-generated audits by eTIS done by large taxpayer unit and RDOs that have implemented the eTIS / total number of audits done by large taxpayer unit and RDOs that have implemented the eTIS	Percentage	0			TBD end of 2014	TBD end of 2014	TBD end of 2014		Project report	Project monitoring	Quarterly starting 2Q 2014
Old	Reduced discretion and opportunities for corruption	Number of automatically-generated audits	System-generated audits done by large taxpayer unit and RDOs that have implemented the eTIS	Number	TBD end of 2012					TBD end of 2012		Inventory of Audit Cases	Administrative data	Quarterly starting 2013
New	Increased revenue from audit	Revenue collection per audit	Average collection per firm using AATS (in pesos) focusing on LTS	PhP millions	3			TBD end of 2014	TBD end of 2014	4.3		Special Collection Report	Administrative data	Quarterly
Old	Increased revenue from audit	Revenue collection per audit	Average collection per firm using AATS (in pesos) focusing on LTS	PhP millions	2.5					4.3		BIR Collection and Assessment Reports submitted to ACIR LTS based on the requirements of RMO 29-2007	Administrative data	Quarterly
New		Revenue from new and existing business registrants	Revenue collected from new and existing business registrants composed of professionals and single proprietors	PhP millions	TBD					TBD		External Consultant	Special Study	Post
Old		Revenue from new business registrants to include corporation, single-proprietor and professionals	Target revenue to be defined based on project type	PhP millions	TBD end of 2012					TBD end of 2012		BIR Report on Revenue from Target Group (new registrants)	Administrative data	Annually
New		Percentage of respondents reporting satisfaction with BIR services	Improvement in customer satisfaction survey scores	Percentage	TBD 4Q 2014					TBD 4Q 2014		External Survey Consultant	Survey	Pre and Post project
Old		Percentage of respondents reporting satisfaction with BIR services	Improvement in customer satisfaction survey scores	Percentage	TBD end of 2012					TBD end of 2012		External Survey Consultant	Survey	Pre and Post project
New		Percentage of respondents aware of change based on specific message	Awareness of taxpayers of their tax obligation in the areas of registration, filing, payment, audit, and of existing BIR services	Percentage	TBD 4Q 2014					TBD 4Q 2014		External Survey Consultant	Survey	Pre and Post project
Old		Percentage of respondents aware of change based on specific message	Awareness of the campaign, the available BIR services and/or taxpayer obligations	Percentage	TBD end of 2012					TBD end of 2012		External Survey Consultant	Survey	Pre and Post project
New		Number of successful case resolutions	Number of personnel in DOF and its attached agencies who were charged and subsequently suspended (preventive or as a penalty); dismissed from service or convicted at the end of the Compact project.	Number	28	42	61	84	110	140		Summary report of resolution	Administrative data	Annually
Old		Number of successful case resolutions	Number of personnel suspended (preventive and as a penalty), dismissed from service or convicted	Number	28					105		RIPS Annual report	Administrative data	Annually

New		Perceptions of corrupt activities within DOF agencies	Perceptions among DOF staff and the transacting public	Percentage	TBD 4Q 2014					TBD 4Q 2014		External Survey Consultant	Survey	Pre and Post project
Old		Perceptions of corrupt activities within DOF agencies	Perceptions among DOF staff and the transacting public	Percentage	TBD end of 2012					TBD end of 2012		External Survey Consultant	Survey	Pre and Post project
New	eTIS roll-out	Number of Revenue District Offices (RDOs) using eTIS	Number of revenue district offices that will be covered by the roll-out	Number	0			TBD 4Q 2014	TBD 4Q 2014	TBD 4Q 2014		Project report	Administrative data	Quarterly (once eTIS is ready for roll-out)
Old	eTIS roll-out	Number of Revenue District Offices (RDOs) using eTIS	Number of revenue district offices that will be covered by the roll-out	Number	0					128		BIR	Administrative data	Quarterly (once eTIS is ready for roll-out)
New	Decreased time to complete an audit	Percentage of audit completed in compliance with the prescribed period of 180 days	Percentage of audit completed in compliance with the prescribed period of 180 days	Percentage	1%			TBD	TBD	TBD		Summary report on BIR CAATS Collection and Assessment Performance	Administrative data	Quarterly
Old	Decreased time to complete an audit	Percentage of audit completed in compliance with the prescribed period of 120 days	% of audit completed in compliance with the prescribed period of 120 days	Percentage	1%					50%		BIR Collection and Assessment Reports submitted to ACIR LTS based on the requirements of RMO 29-2007	Administrative data	Quarterly
New	Increased percentage of audits using AATs	Percentage of audit cases performed using AATS	Large taxpayer unit audit cases performed using AATs	Percentage	2.9%			TBD	TBD	95%		Summary report on BIR CAATS Collection and Assessment Performance	Administrative data	Quarterly
Old	Increased percentage of audits using ATTs	Percentage of audit cases performed using AATS	Large taxpayer unit audit cases performed using AATs	Percentage	2.9%					95%		BIR CAATTS Collection and Assessment Performance Report	Administrative data	Quarterly
New	Increased number of new business registrants	Percentage increase in the number of new business registrants	Year-on-year increase in the number of new business registrants composed of single-proprietor and professionals.	Percentage	1.5%			2.5%	4.0%	7.73%		BIR Report on Registration by Taxpayer Type	Administrative data	Quarterly
Old	Increased number of new business registrants	Percentage increase in the number of new business registrants	Year-on-year increase in the number of new business registrants composed of corporation, single-proprietor and professionals.	Percentage	1.5%					7.73%		BIR Report on Registration by Taxpayer Type	Administrative data	Quarterly
New	Implemented communication plan	Activities undertaken based on the Communication Plan (ComPlan)	Percentage of activities undertaken based on the ComPlan	Percentage	0			75	85	95		Periodic Report	Administrative data	Quarterly
Old	Implemented communication plan	Percentage of activities undertaken based on the Communication Plan (ComPlan)	Number of activities undertaken based on the Com-Plan	Percentage	0					100%		Periodic Terminal Report	Administrative data	Quarterly

New		Personnel charged with graft, corruption, lifestyle and/or criminal cases	Number of personnel investigated that were charged before a quasi-judicial body (i.e. Office of the Ombudsman, Civil Service Commission) or referred with directive to the appropriate agencies (i.e. attached agencies of DOF).	Number	67	95	127	165	206	250		Summary Reports of cases filed (personnel charged) generated by RIPS	Administrative data	Annually
Old		Personnel charged with graft, corruption, lifestyle and/or criminal cases	Number of DOF personnel charged with graft corruption, lifestyle and/or criminal cases	Number	67					250		Annual Report	Administrative data	Annually
New		Number of personnel investigated	Number of leads acted upon evidenced by the issuance of Investigation Authority (IA).	Number	110	145	185	230	278	330		Summary Reports of IAs generated by RIPS	Administrative data	Annually
Old		Number of personnel investigated	Number of personnel involved in opened cases	Number	110					330		Annual Report	Administrative data	Annually
New		Time taken to complete investigation (average)	Working days from time case is assigned as evidenced by the issuance of Investigation Authority (IA) to date of filing of the Complaint-Affidavit before a quasi-judicial body or referral to appropriate agency. This does not include personnel investigated who were not charged	Number	120				90	60		IA and Complaint-Affidavit	Administrative data	Annually
Old		Time taken to complete investigation (average)	Working days from case opened to resolution	Number	120					60		Annual Report	Administrative data	Annually

Attachment 12: Description and Justification of Modifications - Modification No.2

Project: RARP
Indicator: i. Perceptions of corruption
 ii. Percentage of respondents reporting satisfaction with BIR services
 iii. Percentage of respondents aware of change based on specific message
 iv. Perceptions of corrupt activities within DOF agencies

Modification: Indicators modified
Justification: The target dates when the Baseline and Year 5 Figures will be provided were changed. The changes were triggered by the revision in the timeline of the RARP Baseline Study. The revision was agreed after the Board of Trustees approved the M&E Plan. As the changes were not substantial, only MCC NOL is required.

Table 21: RARP | Indicator Modified

	Results	Indicator Name	Definition	Unit	Targets							Source	Methodology of Data Collection	Timing / Frequency of Data Collection
					Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 20			
New	Decreased incidence of corrupt activities within the Department of Finance (DOF)	Perceptions of corruption	Perceptions that DOF, including its revenue generating agencies such as BIR and BOC is taking action to fight corruption	Percentage	TBD March 2015						TBD March 2015	External survey consultant	Survey	Pre and post project
Old	Decreased incidence of corrupt activities within the Department of Finance (DOF)	Perceptions of corruption	Perceptions that DOF, including its revenue generating agencies such as BIR and BOC is taking action to fight corruption	Percentage	TBD 4Q 2014						TBD 4Q 2014	External survey consultant	Survey	Pre and post project
New	Increased satisfaction of taxpayers	Percentage of respondents reporting satisfaction with BIR services	Improvement in customer satisfaction survey scores	Percentage	TBD March 2015						TBD March 2015	External Survey Consultant	Survey	Pre and Post project
Old	Increased satisfaction of taxpayers	Percentage of respondents reporting satisfaction with BIR services	Improvement in customer satisfaction survey scores	Percentage	TBD 4Q 2014						TBD 4Q 2014	External Survey Consultant	Survey	Pre and Post project
New	Increased awareness of taxpayers	Percentage of respondents aware of change based on specific message	Awareness of taxpayers of their tax obligation in the areas of registration, filing, payment, audit, and of existing BIR services	Percentage	TBD March 2015						TBD March 2015	External Survey Consultant	Survey	Pre and Post project
Old	Increased awareness of taxpayers	Percentage of respondents aware of change based on specific message	Awareness of taxpayers of their tax obligation in the areas of registration, filing, payment, audit, and of existing BIR services	Percentage	TBD 4Q 2014						TBD 4Q 2014	External Survey Consultant	Survey	Pre and Post project
New	Corruption perception	Perceptions of corrupt activities within DOF agencies	Perceptions among DOF staff and the transacting public	Percentage	TBD March 2015						TBD March 2015	External Survey Consultant	Survey	Pre and Post project
Old	Corruption perception	Perceptions of corrupt activities within DOF agencies	Perceptions among DOF staff and the transacting public	Percentage	TBD 4Q 2014						TBD 4Q 2014	External Survey Consultant	Survey	Pre and Post project