



**Republic of the Philippines  
National Economic and Development Authority and  
Department of Budget and Management**

**Joint Memorandum Circular No. 2015-01  
15 July 2015**

**FOR : All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, Other Instrumentalities of Government and all Others Concerned**

**SUBJECT : NATIONAL EVALUATION POLICY FRAMEWORK OF THE PHILIPPINES**

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## **1.0 BACKGROUND AND RATIONALE**

In recent years, the National Economic and Development Authority (NEDA) and the Department of Budget and Management (DBM) have jointly and separately conducted reform initiatives to build on previous planning and budgeting initiatives (i.e., MTEF, OPIF, SEER processes) and existing processes (PDP formulation, PIP updating, NBC issuances).

NEDA, in crafting the Philippine Development Plan 2011-2016, coordinated the formulation of the Results Matrix (PDP-RM) which integrated the statement of results to be achieved by the various strategies, programs, and projects outlined in the plan. With the updating of the PDP, the achievement of development results was given greater focus particularly in priority sectors and also with spatial considerations.

For its part, DBM focused on results-based budgeting starting in 2011 with the review of the MFOs, PIs, and PAPs to ensure that all MFOs are consistent with the agencies' mandates. The initiative to improve the link between the planning and budgeting process were sustained in 2012 with NEDA and DBM ensuring coherence between the national targets/priorities (PDP-RM) and agency deliverables or Major Final Outputs (MFOs), so that budgeting for the latter is anchored on the RM objective and targets. Towards making the development budget more comprehensible, transparent, and accountable, the performance-informed budget (PIB) was adopted for the FY 2014 General Appropriations Act (GAA) showcasing both financial and non-financial performance information on each agency. A shift to the outcome-based PIB has been made in the FY 2015 Budget which would entail the development and enhancement of the organizational outcomes of the Agencies, and the crafting of the associated performance indicators and targets. The organizational outcomes (OOs) will link with the sectoral outcomes the societal goals in the PDP-RM, strengthening further the link between planning and budgeting.

As a complementary initiative, AO 25 was issued in December 2011 to address the deficiencies and duplications in the current performance monitoring systems of the government. An Inter-Agency Task Force (IATF) was subsequently formed to undertake the development of performance management systems for adoption across all departments and agencies within the

Executive Branch of the government: (a) Results-Based Performance Management System (RBPMS); and (b) Government Executive Information System (GEIS). The RBPMS utilizes the RM and OPIF as underlying frameworks, which is then used by agencies with oversight functions in assessing and measuring performance of agencies.

To further sharpen the results focus of government, it is imperative that it be able to gather evidence whether its policies, projects, and programs are achieving their intended development results (outputs, outcomes, and impacts) and to adopt alternative strategies when evidence suggests that results are not being achieved. Effective development thus involves project/program planning and implementation characterized by evidence-based decisions, accountability, and learning which, in turn, are supported by systematic, rigorous, and impartial evaluation.

Hence, the need for an evaluation policy framework that would govern the practice of evaluation in the public sector.

## **2.0 POLICY FRAMEWORK STATEMENT**

In line with government's continuing efforts to improve on all the components of the public sector management cycle (i.e., planning, budgeting, implementation, monitoring, and evaluation), NEDA and DBM developed a national evaluation policy framework which primarily aims to provide a framework for the purposive conduct of evaluations in the public sector in support of good governance, transparency, accountability, and evidence-based decision-making.

This Policy Framework is initially envisaged to apply to programs and projects being implemented by all government entities or its instrumentalities.

## **3.0 PURPOSE**

This Joint Circular is being issued with the following objectives:

- a. *Support for Evidence-based Decisions.* The Policy Framework supports the provision to various stakeholders of knowledge respecting project/program results enabling evidence-based decision-making related to current and future programming. This knowledge includes evidence respecting outcomes/impacts attributable to the project/program, the efficiency with which outcomes/impacts are achieved, and the extent to which outcomes/impacts align with national priorities.
- b. *Ensuring Program Improvement.* The Policy Framework promotes the provision to project/program managers and other stakeholders of feedback and learning that can help improve current and future programming.
- c. *Ensuring Accountability.* The Policy Framework enables the provision to the people of the Philippines, donors, and other interested parties of evidence-based findings, both positive and negative, regarding Government projects/programs.

#### **4.0 COVERAGE**

This Circular covers all agencies, State Universities and Colleges, Government-Owned and/or Controlled Corporations, Government Financial Institutions with budgetary support from the National Government, including those maintaining special accounts in the General Fund, and other instrumentalities of the national government. The Evaluation Task Force (to be created per Section 5.2) may include other entities as may be warranted.

#### **5.0 KEY ELEMENTS OF THE EVALUATION POLICY FRAMEWORK**

##### **5.1 Scope**

All projects/programs implemented by the above-mentioned entities supported by local and foreign funds are evaluated at least once at the end of their program/project life cycle or as frequent as necessary. This includes projects/programs executed by civil society organizations and other third parties under contract to a Government implementing agency.

##### **5.2 Creation of an Inter-Agency Evaluation Task Force and its Secretariat**

For the operationalization of the Evaluation Policy Framework, an inter-agency Evaluation Task Force and its Secretariat shall be established in accordance with DBM policies, rules, and regulations on organizational and staffing pattern changes.

##### **5.3 Guiding Principles/Evaluation Standards**

Evaluations shall be guided by the following:

- a. evaluations to address, at a minimum, the following questions covering four areas (see also **Annex A**):
  - i. relevance (on alignment and consistency with national priorities and policies, on responsiveness to stakeholder needs, on complementation with other program/project, and on programmatic alternatives);
  - ii. effectiveness (on achievement of objectives, on unintended results and on timeliness);
  - iii. efficiency (on efficient delivery of outputs and on operational alternatives); and,
  - iv. sustainability;
- b. ensuring evaluation competencies (see also **Annex B**);
- c. observing standards of ethics in undertaking evaluations (see also **Annex C**);
- d. preparing evaluation plans in accordance with best practices (see also **Annex D**);
- e. undertaking evaluations with due regard for impartiality (see also **Annex E**); and,
- f. reporting, dissemination and use of evaluations (see also **Annex F**).

The Evaluation Task Force may issue additional directives as necessary.

## **6.0 RESPONSIBILITIES**

The operationalization of the Policy Framework will be undertaken by various units and entities.

### **6.1 Implementing Agencies**

#### **6.1.1 Evaluation Agenda**

Implementing agencies shall formulate and maintain a rolling (continuously updated) six-year evaluation agenda, to coincide with the timeframe of the Philippine Development Plan (PDP) and Public Investment Program (PIP), listing projects/programs to be evaluated during the first year and projects/programs to be evaluated in the subsequent five years.

#### **6.1.2 Formation/Creation of Evaluation Units**

Implementing agency heads are responsible for the establishment of a capable, neutral evaluation unit initially at the central level subject to existing DBM policies, rules, and regulations on organizational and staffing pattern changes. The head of the evaluation unit reports directly to the implementing agency head.

Responsibilities of the evaluation unit include:

- submission to the implementing agency head of the implementing agency's rolling six-year evaluation agenda;
- formulation of evaluation plans contained in project/program proposals;
- the conduct/management of evaluations ensuring that evaluations are undertaken with due regard for impartiality and in line with evaluation best practices (see also **Annex D**);
- management of the agency's evaluation budget and related activities;
- submission to the implementing agency head of findings and recommendations of evaluation activities;
- timely publication on the implementing agency's public website of all evaluation reports;
- submission of evaluation reports to the Evaluation Task Force in accordance with prescribed guidelines;
- serve as repository of all evaluation studies conducted/commissioned.

Guidelines in the formation of Evaluation Units shall be issued in subsequent DBM circulars.

#### **6.1.3 Project/Program Proposals**

All project/program proposals put forward for annual budgeting shall include an evaluation plan in accordance with the best practices.

The project/program proponent shall take into consideration results of previous evaluation of similar projects and make reference to relevant evaluation findings, recommendations, and resulting changes to the proposed project/program. In

cases where recommendations were not followed, the proposal shall include an explanation.

#### **6.1.4 Use of Evaluations**

##### **6.1.4.1 Management Response**

Implementing agencies shall ensure appropriate management response, including follow through actions by concerned units to evaluation findings and recommendations.

##### **6.1.4.2 Link to Planning**

Implementing agencies shall ensure that results of evaluation are used as inputs to planning and budgeting processes and subsequent design of similar projects.

#### **6.2 Evaluation Task Force and its Secretariat**

To operationalize the Policy Framework further an Evaluation Task Force shall be created with a corresponding Secretariat.

##### **6.2.1 Composition of the Evaluation Task Force**

The Secretaries of NEDA and DBM shall act as Chairperson and Co-Chair of the Evaluation Task Force. The other member of the Task Force shall be the Office of the President-Presidential Management Staff (OP-PMS). The Task Force may designate voting (e.g. other government agencies) and special non-voting members of the Task Force (e.g. civil society, academe, private sector).

##### **6.2.2 Functions of the Evaluation Task Force**

Among the responsibilities of the Evaluation Task Force are:

- provide overall policy direction and coordination on the evaluation agenda of the public sector;
- report to NEDA Board on all evaluations conducted in the public sector;
- authorize and commission the conduct of evaluations on top of those conducted by the implementing agencies;
- issue evaluation standards and guidelines;
- assess evaluation agenda of implementing agencies;
- adopt sanctions and incentives system; and,
- ensure the creation of appropriate institutional structures to mainstream the Policy Framework.

The Task Force shall meet as often as necessary but not less than once a semester.

The Evaluation Task Force may authorize the creation of a sub-cabinet level Technical Committee composed of the NEDA, DBM, OP-PMS and PSA. The Technical Committee may be tasked, among others, to review quality of

evaluation reports. Regional level evaluation task forces may also be created as necessary.

The Evaluation Task Force will link with existing NEDA Board Committees and other relevant Committees (e.g., DBCC) for policy coherence.

#### **6.2.3 Functions of the Evaluation Secretariat**

The Evaluation Secretariat shall provide technical and administrative support to the Evaluation Task Force.

- recommends to the Task Force policies, strategies and guidelines for the effective implementation of the Policy Framework;
- prescribes the format and content of the evaluation plan;
- monitors and reports on progress and results of evaluation activities undertaken by implementing agencies;
- conducts capacity development activities jointly with NEDA and DBM for the operationalization of the Policy Framework;
- conducts/manages evaluation as authorized by the Evaluation Task Force;
- provides Secretariat support to the Evaluation Task Force;
- recommends sanctions and incentives;
- formulates criteria for evaluations to be endorsed for Evaluation Task Force approval; and,
- prepares a consolidated report of individual evaluations for consideration of the Evaluation Task Force (and/or the Technical Committee).

In the interim, the Director of the NEDA Monitoring and Evaluation Staff shall head the Evaluation Secretariat.

#### **6.3 Interim Technical Working Group**

In the interim, to ensure a smooth functional and organizational transition, a Joint Technical Working Group (TWG) on the organizational adjustments shall be established through a separate issuance.

The TWG is given a timeframe of not more than a year from the date of the issuance of this Circular to manage the transition and prepare recommendations on proposed organizational changes to include the conduct of consultations, assessment of the institutional requirements (i.e., technical, financial and human resource) based on the strategic plan/agenda to be approved by the Task Force, among others.

Separate circulars shall be subsequently issued, providing detailed institutional responsibilities.

## **7.0 ADOPTION/IMPLEMENTATION OF THE POLICY FRAMEWORK**

- 7.1** Implementing agencies shall allocate in their annual budgets adequate resources to ensure compliance with the provisions of this Policy Framework. This includes funds for:
- a. capacity development during the start-up phase of the Policy Framework;
  - b. ongoing salaries, recruitment and training to ensure an adequate supply of internal personnel competent in evaluation;
  - c. operations and maintenance; and,
  - d. external professional service fees.
- 7.2** The Evaluation Secretariat shall be provided with adequate resources to be able to comply with the provisions of this Policy Framework, including funds for:
- a. capacity development during the start-up phase of the Policy Framework;
  - b. ongoing salaries, recruitment and training to ensure an adequate supply of internal personnel competent in evaluation;
  - c. operations and maintenance; and,
  - d. external professional service fees.
- 7.3** An orientation and training program on the adoption of the Policy Framework shall be conducted for relevant personnel of departments/agencies.

## **8.0 POLICY FRAMEWORK AMENDMENT**

A formative evaluation of the Policy Framework on Evaluation shall be undertaken within the second full year following the effective date of the Policy Framework. The findings and recommendations of the formative evaluation shall inform amendments to the Policy Framework as warranted.

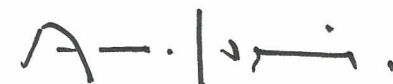
A summative evaluation of the Policy Framework on Evaluation shall be completed within the fifth full year following the effective date of the Policy Framework. The findings and recommendations of the summative evaluation shall inform amendments to the Policy Framework as warranted.

## **9.0 REPEALING CLAUSE**

All policies and issuances or parts thereof inconsistent with the National Policy Framework on Evaluation are hereby repealed or amended accordingly.

## **10.0 EFFECTIVITY**

This Joint Circular takes effect immediately.



**ARSENIO M. BALISACAN**

Secretary

National Economic and Development Authority



**FLORENCIO B. ABAD**

Secretary

Department of Budget and Management

## ANNEX A: EVALUATION CRITERIA

The evaluation criteria listed herewith are drawn from internationally-accepted criteria as prescribed by evaluation organizations (i.e., OECD-DAC and UNEG) and adopted by development institutions (i.e., ADB, WB and JICA).

Evaluations shall address, at a minimum, the following eleven questions covering four areas:

### Relevance

1. *Alignment and Consistency with National Priorities and Policies.* To what extent do project/program outcomes/impacts align with the achievement of national priorities and existing laws, including PDP sector outcomes?
2. *Responsiveness to Stakeholder Needs.* To what extent does the program/project address the urgent needs of the stakeholders?
3. *Complementation with Other Program/projects.* To what extent does the program/project complement existing program/project resulting in better outcomes?
4. *Programmatic Alternatives.* Are there better ways to achieve the program's/project's outcomes/impacts, or to contribute to related national priorities?

### Effectiveness

5. *Objectives Achievement.* What intended outputs and outcomes/impacts (short-term outcomes, medium-term outcomes, and long-term impacts) were found, and to what extent can they be attributed to project/program activities?
6. *Unintended Results.* What unintended outputs and outcomes/impacts were found, and to what extent can they be attributed to project/program activities?

### Efficiency

7. *Efficient Delivery of Outputs.* Were the activities cost efficient? Was the utilization of resources optimized in terms of the realization of the program/project objective? To what extent was resource utilization minimized in relation to the delivery of outputs?
8. *Operational Alternatives.* Are there better, more efficient ways to deliver project/program outputs?
9. *Timeliness.* Were the objectives achieved on time?

### Sustainability

10. To what extent did the benefits of a program/project continue after funding ceased?
11. What were the major factors which influenced the achievement or non-achievement of sustainability of the program/project?

## ANNEX B: EVALUATION COMPETENCIES

Those engaged in designing, conducting and managing evaluation activities should demonstrate the following competencies:

- *Technical Foundations:* Understands and makes appropriate use of methodological concepts and practices in line with accepted professional evaluation standards. Gathers relevant evidence for evaluation purposes from appropriate sources, assessing its quality and identifying gaps. Analyzes and interprets data fairly, comprehensively and objectively in order to effectively address evaluation questions.
- *Leading, Managing and Delivering Evaluations:* Manages evaluation resources and relationships with stakeholders to deliver high quality evaluations on time and to Government of the Philippines standards.
- *Communicating and Sharing Evaluation Findings:* Communicates effectively orally and in writing in the context of all evaluation activities. Clearly reports evaluation methods, findings, conclusions and recommendations. Promotes awareness and use of evaluations through effective dissemination and advice.
- *Integrity:* Demonstrates honesty and respect in dealing with project/program personnel, other interested Government of the Philippines personnel, and all other evaluation stakeholders.

## **ANNEX C: ETHICS**

1. All those engaged in designing, conducting and managing evaluation activities shall abide by the Code of Conduct and Ethical Standards for Public Officials and Employees (Republic Act No. 6713).
2. Evaluators shall respect the right of implementing agencies and individuals to provide information in confidence, and ensure that sensitive data cannot be traced to its source. Evaluators must ensure that those involved in evaluations have the opportunity to review and approve the statements attributed to them.
3. Evaluators shall be sensitive to the cultural, social and economic environment of all stakeholders, and conduct themselves in a manner that is fair and appropriate to this environment.
4. Evaluators shall be accountable for their performance and their products.

## ANNEX D: BEST PRACTICES IN EVALUATION

### Evaluation Scale

1. Evaluations can range from simple desk reviews to complex studies involving multiple sources of data. In some cases, in addition to a summative evaluation at the end of a project's/program's life cycle or at the five-year point, a formative evaluation is appropriate at the project's/program's mid-point. To ensure that the Policy is carried out with maximum efficiency across the Government, the scale of each evaluation should be large enough to provide timely answers to critical evaluation questions with an adequate level of certainty, but no costlier than necessary. The scale, and associated cost, of every evaluation typically increases in correspondence with the following factors:
  - a. *Level of Ambiguity*: projects/programs whose outcomes are unsure – e.g., new, untried interventions;
  - b. *Potential Consequences*: projects/programs whose failure can lead to severe negative consequences;
  - c. *Information Needs*: projects/programs about which decision-makers urgently require information – e.g., projects/programs whose renewal is at stake, or projects/programs with a high public profile;
  - d. *Program/Project Size*: project/program magnitude<sup>1</sup>;
  - e. *Program/Project Complexity*: complexity in terms of such dimensions as number and variation of activities, number and variation of target populations, regional reach, and anticipated difficulty associated with acquiring relevant data; and,
  - f. *Uniqueness of Program/Project*: with respect to outputs and outcomes/impacts, the program/project in comparison is unique.

### Evaluation Design and Execution

2. Within the defined evaluation scale, evaluations should employ research methodologies in line with accepted professional evaluation practices. Accepted tools, methods and processes include:
  - a. logic models/change theories that depict key project/program elements – including inputs, activities, intended outputs, short-term outcomes, medium-term outcomes, long-term impacts, related higher-level and national priorities, and the hypothesized causal links among the elements – and support the development of evaluation questions;
  - b. baseline data and/or ongoing project/program performance data collected to support the evaluation;
  - c. designs that help establish the extent to which outcomes/impact can be attributed to the project/program including a mix of methods and perspectives – e.g., surveys, interviews and focus groups with a diversity of audiences including project/program participants and stakeholders, literature/document reviews, and administrative data analyses;
  - d. sampling strategies that provide accurate representation of the populations of interest;
  - e. research instruments that are valid and reliable;

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<sup>1</sup>as the size of a project/program increases, the proportion of its total budget required for the evaluation typically decreases

- f. comprehensive, accurate quantitative and qualitative data analysis strategies, taking into account the context of the project/program, that lead to defensible findings for each evaluation question.
- g. conclusions drawn from a synthesis of findings;
- h. recommendations based on the findings and conclusions; and
- i. evaluation reports and related presentations that are concisely and clearly written such that all audiences can readily grasp key messages, and decision-makers – from project/program managers to senior officials and legislators – can make informed decisions.

## **ANNEX E: IMPARTIALITY**

1. It is the responsibility of the implementing agency evaluation unit to ensure that evaluations are conducted with the highest possible degree of impartiality in order to maximize objectivity and minimize the potential for bias. In some cases, it may be appropriate to commission an independent third-party evaluator to undertake portions of, or the entire, evaluation.
2. While their active involvement is typically necessary to effectively conduct an evaluation, managers and other stakeholders of the project/program being evaluated should not be allowed to influence evaluation findings. Good practices involve a constructive mix of internal and external stakeholders so that program knowledge can be brought to bear while potential conflicts of interest can be identified and prevented.

## **ANNEX F:      REPORTING, DISSEMINATION AND USE OF EVALUATIONS**

All evaluation reports shall contain:

- recommendations developed by the evaluator based on the findings; and,
- response from the agency head, describing actions that will be taken in addressing each recommendation.

To ensure transparency, all final evaluation reports shall:

- describe the evaluated project/program;
- provide adequate background and context including the purpose of the evaluation and the evaluation issues and questions;
- describe the evaluation methodology including limitations and the approaches adopted to mitigate limitations;
- disclose the identities of the principal members of the evaluation team and, if applicable, the evaluation steering committee or other advisory bodies;
- clearly state evaluation findings along with a description of the evidence on which each finding is based; and
- clearly distinguish evaluator opinions (e.g., recommendations) from statements of fact (e.g., findings).