

Chapter 7

Monitoring and Evaluation for Cyclical Planning

7.1 Introduction

Among the major activities of the local planning structure is to “coordinate, monitor, and evaluate the implementation of development programs and projects” (Sec. 109, a, 5, RA 7160). The critical importance of monitoring and evaluation (M&E) is that it links one planning cycle to the next. Plan M&E produces new information useful in crafting the successor plan. These new data are derived from the assessment of impacts of programs and projects implemented, the outcomes of services rendered, the effects of regulatory measures enforced, as well as the results of developments in the area that had not come under the control or influence of the local planning system.

7.1.1 Who should do monitoring and evaluation

Consistent with the local planning structure and its mandated functions, M&E is a built-in function of the sectoral or functional committees¹. Through these sectoral committees doing their respective M&E the local planning and development office performs its function number 4: “Monitor and evaluate the implementation of the different programs, projects, and activities in the local government unit concerned in accordance with the approved development plan²” Formally, the M&E function is embedded in the Planning Information Management Division of a full-blown local planning and development office. In the case of lower income LGUs the M&E function could be devolved to a functional

committee consisting of a representative of each of the sectoral committees coordinated by the head or any staff of the local planning and development office. But even in the case of high income LGUs which are able to organize their LPDO according to the ideal structure it would be a much better practice to involve the sectoral representatives when conducting M&E activities.

7.1.2 What to monitor and evaluate

Monitoring and evaluation are both evaluation activities which are essential tools for management. Properly utilized, M&E are mutually reinforcing in that –

- a well-functioning monitoring system can greatly reduce the need for in-depth evaluation as problems are revealed and resolved in a timely manner;
- monitoring can also indicate the need for in-depth evaluation of problems and issues; and
- in-depth evaluation may show the need for a new and improved monitoring system.

First, let us define the terms monitoring, evaluation, project output, project outcomes, project impact, and development impact.

- **Monitoring** – a continuous process of data collection and analysis to check whether a project is running according to plan and to make adjustments if required. It is an evaluative study directed to the short term.

- **Evaluation** – a systematic process of collecting and analyzing information about activities and results of a project in order to determine the project’s relevance and/or to make decisions to improve the efficiency and effectiveness of a project.
- **Project output** – project deliverables arising from the activities carried out with the use of project inputs or resources.
- **Project outcomes** – results and long-term impacts arising from the utilization of project outputs.
- **Project impact** – a state of change over a reference point (baseline or time period) arising from the production and utilization of project outputs. Project impacts may be short term (as project outcomes/effects) or long term (when related to the achievement of project goals).
- **Development impact** – a state of change arising from the implementation of a plan (program/project) or on account of actions taken by agents outside the control or influence of the planning system, or both.

7.1.3. Frequency of monitoring and evaluation

The frequency of conducting M&E should be synchronized with various planning cycles: annual for purposes of the AIP and budget cycle; once every three years for the revision of the term-based CDP ; and longer cycles for the 6-year medium-term CDP and long-term CDP and

¹ S. ¹ Rule XXIII, Art. 182, g. 3, vi, IRR of RA 7160

² Sec. 476, b, 4, RA 7160

CLUP revision. In Figure 7.1, M&E is properly located in the context of the municipal planning and development system.

There are different planning cycles with varying durations. The shortest cycle is represented by the annual investment program and budget. Investment programming could be done in 3-year cycles so that the annual component of a 3-year program will be carried in the annual budget. This implies that M&E is

done annually to look into the utilization of the budget. The monitoring data collected after one year should help improve the design and implementation of the following year's projects.

After a 3-year cycle, M&E outcomes is needed to inform the revision of the term-based investment program. After a 6-year cycle, M&E of impacts will be needed to inform the revision of the CDP. The longest cycle of up to 9 years pertains to the

M&E of the impacts of policies on development regulation such as zoning, building and subdivision regulations, as well as the impact of private investments in the locality.

Data accumulated over the 9-year period will be used in the possible revision or reformulation of the CLUP. In short, whatever the planning cycle being considered, the basic problem and purpose of M&E is determining what change to assess

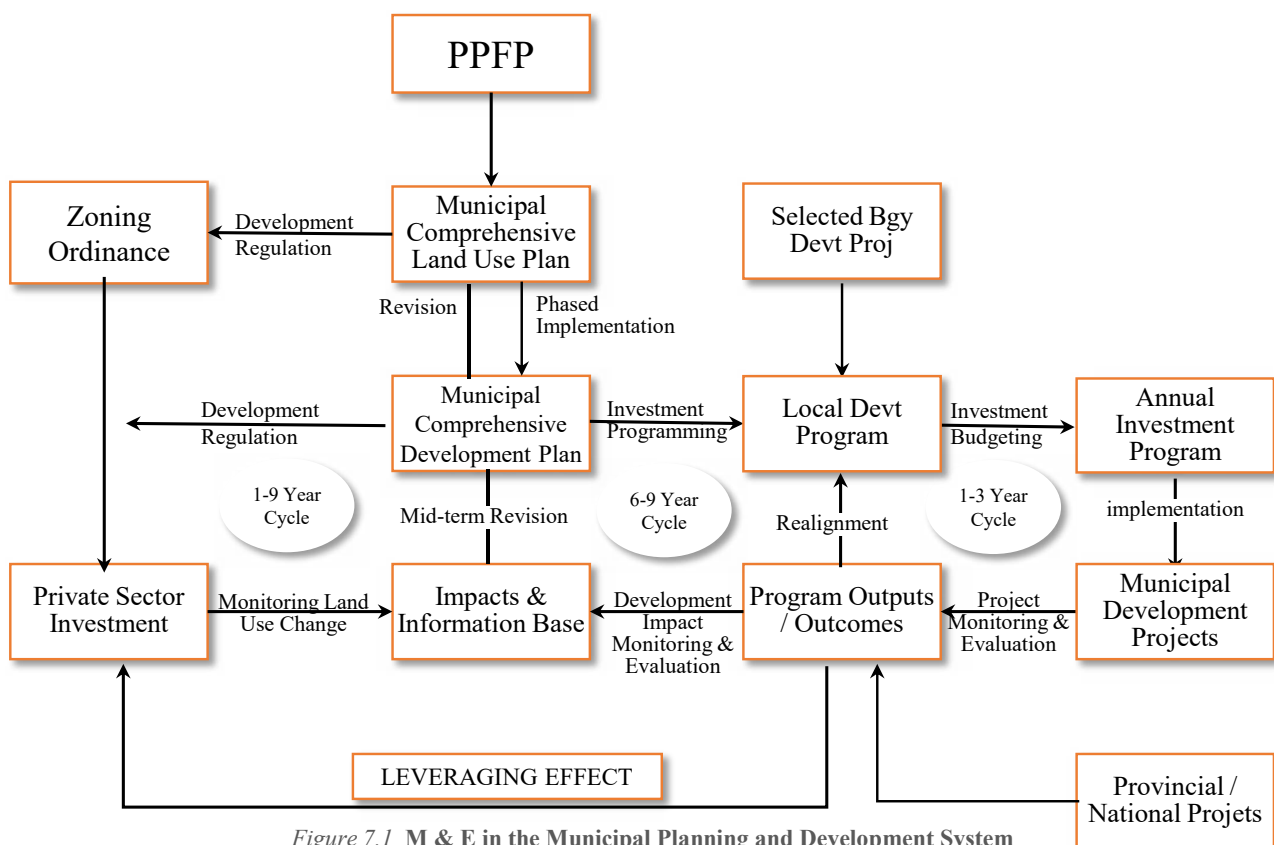


Figure 7.1 M & E in the Municipal Planning and Development System

Source: Fig. 4.9 in Serote (2014), *Property, Patrimony and Territory Foundations of Land Use Planning in the Philippines*, Chapter 4, p. 178

7.2 Use of M&E in the AIP/Budget Cycle

The shortest planning cycle where M&E finds useful application is the annual investment programming (AIP) as an integral part of the annual budgeting process. The investment programming process takes place prior to the start of the budget prepara-

tion process to ensure that priority programs and projects get the proper budgetary allocation and are implemented during the ensuing fiscal year. As shown in the investment programming process flow (refer back to Figure 9.2) project ideas and

proposals ideally must come from the CDP and/or the CLUP although projects from other sources are also welcome. Applied annually, M&E tracks only the LGU's financial performance in implementing programs, projects and services.

Because of the limitations of the annual planning process represented by the budgeting cycle, the only practical feedback information from M&E that could be used in the preparation of the succeeding year's budget are the monitored outputs of the previous year's interventions and possibly the monitored financial performance in the implementation of the current year's budget up to the third quarter. But there is another potential occasion or venue for which the assessment of outcomes makes a more interesting input, that is, the end-of-year report (Ulat sa Bayan) or State of Local Governance Report (SLGR) at the start of the new fiscal year.

To inject rationality into the budgeting process, and ensure transparency and accountability in public expenditure management the scope and purpose of M&E should be expanded to include assessment of efficiency in utilization of inputs to realize outputs, the effectiveness of outputs in

realizing desired outcomes, and the extent to which the public expenditure contributed to the attainment of broader social and economic goals. Tracking outcomes requires longer time intervals of at least 3 years. The product of outcome M&E is an input to the preparation of the State of Local Development Report (SLDR). The SLDR should contain not only enumerations of quantities but also qualitative indicators of outcomes of the utilization of the public sector budget.

When is a good time to conduct the AIP for purposes of the annual budgeting cycle? The answer to this question is not a simple one due to the fact that the term of local officials does not coincide with the fiscal year (same as calendar year). By the time an incoming administration assumes office on July 1, it inherits the last half-year of the outgoing administration's budget and AIP. And when a particular administration bows out it

leaves the last half year of its third year budget and AIP to its successor.

In a 4-year scenario which shows the two change-over points after each election, the following M&E schemes are recommended:

1. M&E to assess the impacts of the previous administration's 3-year LDIP or Executive- Legislative Agenda. This is done during the second quarter in the 6-week interval between the election in May and July 1. This M&E will provide inputs to the preparation of the new 3-year LDIP/ELA of the succeeding administration.
2. M&E to assess the outputs and financial performance during the fourth quarter of the second and third years of the incumbent leadership to provide inputs to the Year-end Report of the Local Chief Executive.

For clarity please refer to the scenario as shown in the table below.

Ta- Table 7.1 M&E Points in a 3-Year Term of Office

	Q1	Q2	Q3	Q4
Year 1	Implementation of Last Year Budget and AIP of previous administration			
		• Election M&E (Impact of Previous Administration's LDIP/ELA)	End-of-Term Report Inaugural of New Term	
			Preparation of LDIP/ELA Preparation of Yr 2 Budget and 1 st AIP	
Year 2	Implementation of Year 2 Budget and 1 st AIP			
			Preparation of Yr 3 Budget and 1 st AIP	
				M&E (Outputs and Financial Performance) End- of-Year Report
Year 3	Implementation of Year 3 Budget and 2 nd AIP			
			Preparation of Yr 4 Budget and 3 rd AIP	
				M&E (Outputs and Financial Performance) End- of-Year Report
Year 3	Implementation of Year 4 Budget and 3 rd AIP			
		• Election M&E (Impact of Outgoing Administration's LDIP/ELA)	End-of-Term Report Inaugural of New Term	

7.3 Monitoring and Evaluation for Plan Revision

7.3.1 M & E for the Successor CDP

Information on the previous year's budget performance is needed in the preparation of the annual investment program and budget. On the other hand, the preparation of the successor 3-year CDP will require feedback information on the outcomes and impacts of the implementation of the 3-year predecessor CDP. This is because the effects of public interventions do not manifest themselves until after two or three years after the completion of the intervention. As shown in Table 10.1, the ideal time for conducting the outcome M&E is during the 6-week hiatus following every election. Results of this type of assessment will find their way into the end-of-term report of the outgoing administration and hopefully into the successor plan of the incoming set of local officials. This ensures smooth transition and conveys a sense of continuity and stability between succeeding local administrations. Two of these 3-year cycles could produce sufficient feedback information to allow mid-term revision of the long-term CDP and/or CLUP.

7.3.2 M & E for the Successor CLUP

The feedback information required for the revision or reformulation of long-term plans such as the CLUP and the long-term CDP should be collected after a lapse of 9 – 10 years. This should be synchronized with the national census of population which is conducted every decade. Data capture on socio-economic and physical indicators of change when it is done in the same year that an actual population count is held will allow analysts to relate actual growth with actual population change. Every census year therefore should be marked out for conducting comprehensive data collection to

update ecological profiles, LDI tables, thematic maps, and other forms of information systems.

For consistency new and feedback information should be clustered around the five development sectors with specific responsibilities to describe and possibly measure changes in the area after a decade as follows:

- a. Social sector – changes in the demographic composition, growth behavior, and spatial distribution of the area's population; changes in the level of welfare of individuals and households; changes in the availability of and access to basic social goods and services; as well as advances made by society in the promotion of equity and social justice.
- b. Economic sector – changes in the general individual income levels and average household incomes; changes in conditions of employment, unemployment and underemployment; changes in the level of self-sufficiency in the different food commodities; and, to the extent possible, changes in the magnitude of capital flows (difference between outflow and inflow) into the area and in the manner this capital is circulated in the local economy.
- c. Environment sector – changes in the stock and quality of various natural resources as a result of domestic utilization and economic extraction; changes in the size, direction and intensity of the built environment and corresponding conversion of agricultural, forest or wetland resources; degree of success in the preservation of protected areas; sustainability through judicious consumption and avoidance of waste of water supply; changes in the overall quality of the environment resulting from waste management systems and

nuisance abatement mechanisms that had been put in place during the last decade; and degree of success in the enforcement of national laws and local ordinances on the management and protection of the environment and natural resources.

- d. Infrastructure sector – in general, the adequacy of social and physical capital build up to undergird economic prosperity, public health, safety, comfort and convenience; the appropriateness of infrastructure to support the realization of the chosen spatial strategy; changes in the status of backlogs in the provision of basic social services; changes in the quality of services and facilities resulting in changes in general welfare of the residents; changes in the level of vulnerability of the residents as a result of facilities to reduce if not prevent environmental risks and disasters; and changes in the environmental quality owing to the integrity of protective structures and soil stabilization works.
- e. Institutional sector – institutionalization of local structures and processes for planning, program and project development and management, and monitoring and evaluation of the outputs, outcome and impacts of plans, programs, services, regulatory measures, and other forms of policy intervention; efficiency and effectiveness with which the local government bureaucracy utilizes resources to deliver services demanded by its various publics; changes towards ensuring participation in governance processes, degree of transparency in LGU transactions, and accountability of public officers; and indication of the responsiveness of successive administrations to the needs of their constituents as can be inferred from the accumulated legislative output during the last decade.