Monitoring and Evaluation of Development Projects in South East Asia

The Experience of Indonesia, Malaysia, The Philippines and Thailand

M. Adil Khan

WBI WORKING PAPERS
Monitoring and Evaluation of Development Projects in South East Asia
The Experience of Indonesia, Malaysia, The Philippines, and Thailand

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World Bank Institute
I am grateful to the Economic Development Institute of the World Bank for sponsoring this study. I am equally grateful to Coffey & Partners Pty.Ltd., Australia, my parent employer, for loaning my services to the World Bank to undertake this study. Contributions by the Australian International Development Assistance Bureau is equally highly regarded for supporting this study.

I also fully acknowledge, with utmost appreciation, the intellectual and moral support given by Dr. Michael Bamberger of EDI towards completion of this study. His inputs have been significantly important in improving the quality of this report.

The Country Papers on Malaysia and the Philippines written by Dr. Fadil Abbas and P. Haridas of INTAN, Malaysia and Mr. Edgar P. Callanta of the Philippines respectively, provided important base information for preparation of the South-East Asian M/E overview. I am also grateful to a large number of key informants and M/E officials of these countries who spared their valuable time to educate me in their current M/E situation.

Last but not least, Ms. Diane Aldenton of Coffey & Partners deserves special mention. Diane with her undaunted patience and unreserved understanding turned, a rather chaotic manuscript, into a well typed and orderly report.
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<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AIDAB</td>
<td>Australian International Development Assistance Bureau</td>
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<td>ALRO</td>
<td>Agricultural Land Reform Office</td>
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<tr>
<td>BAPPEDA-I</td>
<td>Provincial Planning Agency (Indonesia)</td>
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<td>BAPPEDA-II</td>
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<td>BAPPENAS</td>
<td>Central Planning Agency of (Indonesia)</td>
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<td>BOB</td>
<td>Bureau of Budget</td>
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<td>BPKP</td>
<td>Audit Bureau of (Indonesia)</td>
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<tr>
<td>CGA</td>
<td>Central Government Agency</td>
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<tr>
<td>COA</td>
<td>Commission on Audit</td>
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<tr>
<td>CORD</td>
<td>Cabinet Committee for Regional Development</td>
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<tr>
<td>DAC</td>
<td>District Action Committee</td>
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<tr>
<td>DBM</td>
<td>Department of Budget and Management</td>
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<tr>
<td>DGRD</td>
<td>Director-General Rural Development</td>
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<tr>
<td>DGWRD</td>
<td>Directorate General Water Resources Development</td>
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<tr>
<td>DOT</td>
<td>Department of Transmigration</td>
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<tr>
<td>DSR</td>
<td>Decision Support Report</td>
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<tr>
<td>EED</td>
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<td>EPPED</td>
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<td>EPU</td>
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<td>FAO</td>
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<td>FELCRA</td>
<td>Federal Land Consolidation and Rehabilitation Authority</td>
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<td>FELDA</td>
<td>Federal Land Development Authority</td>
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<tr>
<td>FP-MCH</td>
<td>Family Planning - Mother Child Health</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>IADCCO</td>
<td>International Agricultural Development Co-Operation and Co-ordinating Office</td>
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<tr>
<td>IADP</td>
<td>Integrated Area Development Project</td>
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<td>IAPG</td>
<td>Inter-Agency Planning Group</td>
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<tr>
<td>ICU</td>
<td>Implementation Co-ordination Unit</td>
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<tr>
<td>IE</td>
<td>Impact Evaluation</td>
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<tr>
<td>IEC</td>
<td>Information Education Communication</td>
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<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<tr>
<td>IMR</td>
<td>Infant Mortality Rate</td>
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<tr>
<td>IOMPMT</td>
<td>Input/Output Process Monitoring</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>KADA</td>
<td>Kemubu Agricultural Development Authority</td>
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<tr>
<td>LKMD</td>
<td>Village Resilience Committee</td>
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<td>MADA</td>
<td>Muda Agricultural Development Authority</td>
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<td>M/E</td>
<td>Monitoring and Evaluation</td>
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<td>MIS</td>
<td>Management Information System</td>
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<td>MOT</td>
<td>Ministry of Transmigration</td>
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<td>Medium-Term Philippine Development Plan</td>
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<td>Mid-Term Philippine Investment Plan</td>
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<td>National Economic and Social Development Board</td>
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<td>Non-Government Organisation</td>
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<td>Performance Audit Division</td>
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<td>Project Completion Report</td>
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<td>Rural Development Projects and Programs</td>
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<td>SEPU</td>
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<td>SERU</td>
<td>Socio-Economic Research Unit</td>
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<td>SETIA</td>
<td>System Economic Planning Unit, Treasury, Implementation Co-ordination Unit, Accountant General’s Office</td>
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<td>SM</td>
<td>Sustainability Monitoring</td>
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<tr>
<td>Tim Khusus</td>
<td>Special Team</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>UNICEF</td>
<td>United Nations International Childrens' Emergency Fund</td>
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<td>VIS</td>
<td>Village Information System</td>
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MALAYSIA
PHILIPPINES
THAILAND
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THE MONITORING AND EVALUATION OF DEVELOPMENT PROJECTS IN SOUTH EAST ASIA: 
THE EXPERIENCE OF INDONESIA, MALAYSIA, THE PHILIPPINES AND THAILAND

1.0 THE STUDY

The Study on the Monitoring and Evaluation (M/E) systems of South-East Asian 
countries was commissioned by the Economic Development Institute of the World 
Bank - for use as a reference document at the "East Asian Regional Seminar 
and Trainers' Workshop" held in Kuala Lumpur, Malaysia during 5-14th 

The Study, largely, confines its discussions to M/E practices of the 
government. A brief investigation into the M/E practices of Non-Government 
Organisations (NGO) was also made.

This Report has been prepared in two parts, Part I: Overview of the South 
East Asian M/E and Part II: Country Reports.

1.1 Methodology Adopted for Preparation of the Study

The methodology adopted for preparation of the study was: interview of Key 
M/E personnel at each of these countries (see Annexure 1), and collection and 
research of relevant documents. To backup the initial findings, plans were 
also made to commission country papers from each of these countries which 
were to be prepared by knowledgeable individuals/institutions.1

While scrutinising the M/E systems of these countries, an overall assessment 
of their development management systems, arrangements for planning and 
implementation of development projects and an assessment of their annual 
budgeting systems were also made.

1 For administrative difficulties, it was not possible to obtain country 
papers from Indonesia and Thailand. The Malaysian paper was prepared 
by Dr. Fadil A. Abbas and Mr. P. Haridas of INTAN and that of Philippines 
by Mr. Edgar P. Callanta, a private consultant. The country papers on 
Thailand and Indonesia have been prepared by the author based on his 
brief interviews of key officials and research of available documents.
The examination of the South-East Asian M/E systems was also done by comparing them with a conceptual model of M/E.

1.2 A Conceptual Model of M/E

This paper conceptualises M/E as a set of activities occurring at four different stages of a project - from the time of its implementation, to completion, to operation and maintenance and to full development. These are:

- **Input/Output Process Monitoring (IOPM):** involving the Input/Output stage or the implementation stage of a project. This is also seen as the construction or the initial facility creation stage of the project. The M/E application for this stage is termed as Input/Output Process Monitoring (IOPM). The IOPM of M/E is necessary to ensure that the right inputs are made available at the right time and that these inputs are producing the right outputs. In other words, IOPM is a tool to ensure timeliness and quality during the implementation phase of a project.

- **Project Completion Report (PCR):** involving the project completion stage referring to end of gestation period of a project. The M/E exercise for this stage is termed as Project Completion Report (PCR). Unlike some traditional approaches involving PCR - say, World Bank approach which involves an elaborate ex-post evaluation exercise - this conceptual framework sees PCR mainly as a management tool: a record keeping exercise at the completion point of a project capturing historical data on implementation experience comparing information between planned and actual relating to inputs, costs and activities. The PCR in this model is regarded as post-project updated base data which may be used in future.

- **Sustainability Monitoring (SM):** involving the Output/Effect stage referring to the post-implementation and the operation and maintenance stage of a project. The M/E effort for this stage of a project is
termed as the Sustainability Monitoring (SM). The SM of M/E initiatives is to see: whether the outputs created (the facilities developed) in a project are producing the desired effects (benefits); whether the facilities created are sustained (operation and maintenance) and finally, whether the facilities created are used (beneficiary response, mainly applicable for rural and social development projects).2

Impact Evaluation (IE): involving the Effect/Impact stage. This refers to a situation where a project has been completed and sustained for at least four to five years. The M/E approach for this stage is called Impact Evaluation. The main objective of IE would be to measure in a completed project, its intended and unintended (if any) outcomes; to examine other broader issues like income and employment generation, to assess the nature of distribution of benefits among its target groups; the induced changes in the use of technology, the changes in attitudes of beneficiaries; and also to identify the complementarity (or otherwise) of a project towards overall economic and social growth. The IE is also an important tool to test the hypothesis based on which a project has been launched.

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2 Honadle and Van Sant provide a result-oriented definition of project sustainability emphasising on a project's capacity to generate intended benefits over an extended period of time. (Source: George Honadle and Gerry Van Sant "Implementation for Sustainability: Lessons for Integrated Rural Development", Kumarien Press.)

However, the present study sees SM more as an ongoing management tool necessary for ensuring sustained operation and maintenance, benefit generation and cost repayment of a project rather than a post-project study of its sustained "capacity". Traditional experience with a completed project has been that a project once implemented is allowed to continue more or less on its own with minimum support from the government - resulting in its premature collapse or decreased benefits. It is true that a project may not be sustainable after some time due to a range of factors: changes in market forces, demographic or ecological changes. But prior to that certain inputs are needed to ensure its proper operation and maintenance. Lack of inputs - more than other variables mentioned above - often risks project sustainability. Therefore SM in this model is seen as a method of identifying and managing these inputs.
For their application each of these 4-stage M/E envisage different techniques and tools as well as different methodological and organisational approaches. In general, it may therefore, be argued that these 4-stage M/E approaches involve: gathering, analysis, dissemination, and presentation of project information with the purposes of:-

- **assessing progress** (of a project) during its implementation by using the techniques of IOPM including identification and resolution of problems;

- **recording end-project-status** of a project through preparation of PCR;

- **assessing performance** (of a project) during its operation and maintenance by using the techniques of SM;

- finally **assessing impact** (of a project) well after its completion and operation by using the techniques of IE.

(The issues, the methodological and organisational aspects of 4-stage M/E are discussed in detail in Chapter 8.)

While reviewing the South East Asian M/E systems, this 4-stage M/E model was used to see the extent to which these systems, if at all, were operational in these countries and the model was also used to examine the strengths and weaknesses of the current practices particularly from the methodological and organisational points of view.

(See Table 1 for Schematic View of 4-Stage M/E.)
### TABLE: 1

**POST-PLANNING PHASES AND M/E APPROACHES**

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<th>Issues Involved</th>
<th>M/E</th>
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<td>I   Input/Output</td>
<td>- Physical implementation</td>
<td>Input/Output Process Monitoring (IOPM)</td>
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<td></td>
<td>- Financial disbursements</td>
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<td>II  Project Completion</td>
<td>- End of physical implementation</td>
<td>Project Completion Report (PCR)</td>
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<td>Project Auditing</td>
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<td>III Output/Effect</td>
<td>- Recurrent cost financing</td>
<td>Sustainability Monitoring (SM)</td>
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<td>- Continued service delivery</td>
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<td>- Operation and maintenance</td>
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2.0 SOUTH-EAST ASIAN M/E: AN OVERVIEW OF HISTORICAL DEVELOPMENT AND CURRENT PRACTICES

2.1 Planning and Implementation Systems

Systems for planning and implementation of development projects by the governments of these countries have been in place for the last several decades or so. Using Five-Year Plans as overall guidelines of development, institutional arrangements for planning and implementation - i.e. installation of centralised planning agencies, creation of line agencies with development responsibilities, procedures for identification, planning and implementation of projects etc. - have by now been well developed by all these countries except the Philippines which, unhappy with its pre-1986 development approach, have embarked upon a task of completely reorganising its planning and implementation systems. (For country-specific details on planning and implementation see Part II: Country Reports.)

2.2 The Evolution of M/E in South-East Asian Countries

The need for monitoring and evaluation, although not organised very efficiently, was recognised by these countries as a necessary tool of management at an early stage of their planned development.

Early M/E activities in South-East Asia were organised mainly for the purposes of budgetary and administrative control. As such, most of their M/E functions were located in the Ministry of Finance, the central planning office and in some cases, at the Prime Minister's Office. The experience of specific countries are described below (also see Table 2 for National Level M/E Organisations):-
## TABLE 2

**ORGANISATION AND FUNCTIONS OF CENTRAL MONITORING AND EVALUATION AGENCIES IN SOUTH EAST ASIA**

### Indonesia:

**BAPPENAS** (National Planning Authority) since 1969/70 has been engaged in M/E of projects at national level. Its different Technical Bureaus in addition to planning and processing of project applications also undertake M/E on a select basis. Its information and Data Processing Bureau serving as a Clearing House of Information on projects also attempts to develop decentralised monitoring systems. Since 1988, a separate Bureau, called "Bureau for Monitoring of the Implementation of Foreign Economic Cooperation" has been created within BAPPENAS to monitor foreign-aided projects.

Audit Bureau (BPKP) and Ministry Inspectorates are the other central monitoring agencies (CGAs).

### Malaysia:

Implementation Coordination Unit (ICU) established since 1960 at the Prime Minister's Office undertakes, at central level, ongoing monitoring of development projects. The Economic Planning Unit (EPU) of the same office also undertakes mid-term reviews of development performance. The Treasury Department undertakes the financial monitoring on an annual basis. The country has since developed an integrated reporting system known as SETIA. Another centralised unit, Socio-Economic Research Unit (SERU) initiates impact studies.

### Philippines:

Reorganised since 1987, NEDA's Project Monitoring Staff (PMS) undertakes ongoing monitoring of projects. Its Ex-post Evaluation Division is responsible for impact studies. The Project Facilitation Committee (PFC) created in 1987 engaged in reorganising the entire development management system of the country including M/E systems.

### Thailand:

National Economic Social Development Board (NESDB) undertake M/E of projects at central level. Its Agricultural Division is particularly responsible for M/E of poverty eradication programmes. The Bureau of Budget (BOB) undertake the financial monitoring on a trimester basis. Since 1983, Performance Audit Division (PAD) of the Auditor-General's Office has been undertaking, on a select basis, in-depth monitoring of projects. National Education Commission (NEC) is the centralised agency for evaluating educational programmes of the government. Thammasat University is the central agency for all socio-economic data in the country.
2.2.1 Indonesia

The Origin of M/E:

In Indonesia, Audit Bureau (BPKP) was always involved in financial monitoring of projects. But it was not until the late seventies and early eighties that central agencies like BAPPENAS (Central Planning Department) and headquarters of the line departments assumed some meaningful M/E initiatives. The latter initiatives came not only to ensure timeliness, but also to assure quality implementation of projects. Donor frustrations with delayed implementation and slow disbursements of funds contributed further to this strengthening process. Creation of Ministry Inspectorates and of late, initiation of Special Task Forces, Tim Khusus, specifically attest to this resolve. Donor involvements in large projects - irrigation, rural development and transmigration sectors - also led to creation of M/E units at the project levels. Organisational arrangements of these M/E units, often initiated and maintained through donor assistance, tend to weaken with the termination of donor inputs.

The most innovative initiative in M/E in Indonesia is the recent creation of Bureau of Administrative Reform in BAPPENAS vested with the responsibility of monitoring the performance of project management organisations and development agencies. This new development underscores the Indonesian Government's recognition of the important role played by the institutional aspects in project implementation.

The recent decentralisation programme of the Indonesian Government has also seen devolution of M/E activities at the provincial and district levels. However, these decentralised initiatives are yet to produce desired results. Various reasons are attributed to this deficiency - lack of decentralisation of authority, problems with inter-departmental co-ordination, organisational weaknesses with M/E units and lack of problem-solving environment.

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3 See Part II, Country Report: Indonesia, for details on M/E history.

4 BAPPENAS in fact has two separate Bureaus - one for monitoring foreign-aided and the other for nationally funded projects. The other technical bureaus of BAPPENAS who mainly are engaged in planning also undertake sectoral monitoring - mainly for planning purposes.
Concern with cost-recovery and problems with efficient utilisation of invested resources have also been prompting the government to develop a unified system of monitoring of Operation and Maintenance (O & M) of completed projects. Monitoring of O & M initiated through BAPPENAS is yet to be fully developed. Departments responsible for projects involving cost-recovery (for example, irrigation, rural development and transmigration) are the main stakeholders of SM with BAPPENAS as the overall watchdog.

In Indonesia, computers are used almost at all levels of the government for data analysis. The Data Processing and Information Bureau of BAPPENAS has been able to develop up a very well laid out data collection and data dissemination system dealing with national income data, data on debt servicing and donor characteristics.

However, it seems that while the country has been able to develop a reasonable system of IOPM at least from the point of information gathering, new M/E initiatives in the areas of SM and IE are of recent origin and are still passing through an experimental phase.

**Organisation and Stakeholders of M/E**

At National Level, BAPPENAS keeps records of all the projects in the country. However, their involvement in actual monitoring of projects is limited and is undertaken only when a project signals "problems". Among the central agencies, Audit Bureau (BPKP) carries out more in-depth monitoring-financial, that is - of all the ongoing projects. Ministry Inspectorates and their in-house M/E units are engaged in more comprehensive monitoring of projects. However, at ministry and departmental levels, involvement of different donors have also seen proliferation of different M/E methodologies resulting in management confusions and complications including burdening an already over-stretched resource and logistics capability of the government. But some departments like DGWRD (Irrigation Sector) which has successfully integrated monitoring approaches of different donors faces the risk of these efforts being weakened with the withdrawal of foreign support. In general, the emphasis of current M/E at national level seems to be geared to improving timely and quality implementation of projects.
To overcome the continuing problem of implementation co-ordination for multi-agency participating projects, Tim Khusus (Special Team) has been formed at the Ministry of Public Works to facilitate implementation of foreign-aided projects. Although this centralised effort has produced some good results, government's current budgetary system, weak organisational arrangements at provincial and district levels and dependence on several line agencies for data gathering and weak problem-solving continue to delay implementation.

There is also a general agreement that the size of the government's development programme is now exceeding the capacity of central ministries to prescribe and supervise all projects. Hence programmes like INPRES (Project Specific Budget allocation) have been introduced which allow for some local specification and project design within broad guidelines laid down centrally. While this initiative has eased the budget flow significantly, it still poses a problem in terms of weak implementation capability including inadequate M/E arrangements at the provincial level.

The co-ordinating agency for provincial level M/E is BAPPEDA-1 (Provincial Planning Agency). Its M/E activities organised through the line functions of different technical sections within the BAPPEDA tend to devote more time to planning rather than on monitoring. Moreover, devolution of planning and monitoring responsibilities to provincial levels, is a recent initiative needing further institutional development, staffing and training.

At project level, M/E - mainly IOPM - is organised through Project Management Units (PMU), often established through donor initiatives.

In sum, the level of concentration of decision-making power at central level continue to make the agencies like BAPPENAS, BPKP (Audit Bureau) and Ministry Inspectorates the main stakeholders of M/E, particularly for IOPM. Sustainability Monitoring of Projects, an increasing concern of the government is yet to be fully developed through BAPPENAS. However, some SM efforts at departmental level - DGWRD and Department of Transmigration - tend to be gradually developing mainly through donor initiatives. Presently, Sustainability Monitoring is limited to the aspects of engineering
maintenance and to cost-recovery of completed projects rather than covering a whole range of sociological and institutional aspects vital for project sustainability. (See Chapter 8 for details.) Impact Evaluation (IE) undertaken sporadically - mainly through donor initiatives - is yet to become a part of the overall development management system of the government. The main stakeholder of IE seem to be limited to donors only.

**Current Priorities of M/E:**

Problems of timely implementation, difficulties with implementation-coordination and concern with quick disbursements of funds continue to make IOPM to be the main focus of Indonesian M/E. Concern with timely implementation of foreign-aided projects has resulted in the creation of a separate Bureau within BAPPENAS to monitor the foreign-aided projects. The main function of this Bureau established in 1987 (The Bureau for Monitoring Economic Co-operation) is to facilitate implementation co-ordination of problem projects. The IOPM of foreign-aided projects at the Public Works Department has similarly been strengthened through creation of several Special Teams (Tim Khusus) - the trouble-shooting groups.

Concern with post-project operation and maintenance and increased need for cost-recovery from the completed projects (especially those of the irrigation and land settlement projects) are attracting government's attention towards development of SM both at project as well as at national level. At project level the government is also encouraging involvement of NGOs for monitoring of community participation.

At the national level, BAPPENAS has already initiated some organisational arrangements - though inadequate - for undertaking SM at macro level. Methodological approaches for BAPPENAS' SM efforts are yet to be clearly defined and developed. However, at departmental levels, DGWRD and the Department of Transmigration - through donor support - are in the process of developing a comprehensive SM system.

Project Completion Reports (PCRs) are generated for foreign-aided projects, only if the funding is made available through donor sources as well. These
PCR also follow donor-applied methodology which often tend to be quite elaborate and lengthy. The type of PCRs mentioned in the earlier section (Section 1.2: A Conceptual Model of M/E) are rarely done for other completed projects.

Of all the M/E activities, the Impact Evaluation is given the least priority by the government. Although the Government of Indonesia does not reject the value of IE studies, its immediate concern with IOPM and lately, SM for which most of the M/E energy and resources are devoted, makes IE a least practiced activity. The high cost and length of time involved in IE equally discourages its practice.

**Major M/E Outputs:**

The current major outputs of the Indonesian M/E system are:-

- Quarterly IOPM reports (progress reports) on projects which are submitted through line departments to BAPPENAS. Different technical bureaus analyse these reports and input them at the centralised clearing house of project information, the Bureau of Information and Data Processing located in BAPPENAS.

- Regular IOPM reports are also generated for foreign-aided projects which are consolidated and analysed at the Bureau of Monitoring for Economic Co-operation in BAPPENAS. For foreign-aided projects there are also systems of regular Steering Committee meetings at BAPPENAS which are participated by both donors as well as concerned government agencies.

Other IOPM reports are bi-annual audit reports generated by the Audit Bureau (BFPK) and the monthly inspection reports generated by the Ministry Inspectorates.

- At provincial level, progress reporting to BAPPEDA-1 (the provincial planning agency) is more on an ad-hoc basis and is mainly issue-induced.
At the project level, IOPM reports are generated on a monthly basis which also include submission of several reports both to the headquarters of the line department as well as to the BAPPEDA-1 at provincial level and to BAPPENAS at central level.

Project Completion Reports (PCRs) are rarely undertaken in Indonesia except at some departmental level, like Directorate General of Water Resources Development (DGWRD) which generates PCRs as a part of donor conditionality.

SM of projects at central level is yet to be organised fully although some departments like DGWRD through its comprehensive Project Monitoring and Evaluation (PME) system, regularly generates SM reports on irrigation management, cropping practices and cost recovery. For rural development projects there is a system of progress reporting at all levels - from village to central. (See Part II, Country Report: Indonesia for details on DGWRD and Department of Transmigration’s SM approaches.)

IE is the least attended to aspect of Indonesian M/E and therefore, very few impact evaluation studies are generated except in cases where donors show interest and provide funding.

**Major Strengths and Weaknesses of Current M/E Practices:**

The major strengths and weaknesses of the Indonesian M/E system are:

**Strengths:**

- that the government has been able to establish a well laid-out project information gathering system linking village up to the centre;

- that the monitoring information system of BAPPENAS is well stocked with macro-economic information;
that use of computers for data processing is widespread;

that there is an increasing realisation within the government about the importance of Sustainability Monitoring including NGO involvement in community management;

that the government is becoming increasingly aware of the need for decentralised development thus feeling the need for initiating necessary measures for strengthening the planning and monitoring capabilities at provincial and district level;

that in addition to monitoring the physical aspects of IOPM, the government is also becoming aware of monitoring the management performance of project management entities. Recent creation of the Bureau of Administrative Reform with BAPPENAS attest to this resolve.

Weaknesses:

The major weaknesses of current M/E practices are:-

that demands of too many stakeholders are creating an information overload, at times, involving duplication in information generation;

that despite the country's efficient information retrieval system, lack of problem-solving, inadequate response to reports generated, lack of appreciation by the higher management of the problems faced at field level and inadequate inter-departmental co-ordination continuously constrain timely and quality reporting;

that the decentralisation programme of the government is yet to match adequately, the decentralisation of responsibilities with that of authority - rendering the monitoring efforts at provincial level quite ineffective;

that provincial M/E units are inadequately staffed and lack training;
that more emphasis is given on monitoring of foreign-aided projects and therefore, implementation monitoring is better achieved for foreign-aided projects than those of nationally funded ones;

that Sustainability Monitoring, although an increasing concern of the government, is yet to be fully organised and developed and that some of these SM efforts which are initiated and supported through donor inputs, are likely to weaken with the expiry of foreign support;

that current SM efforts are strictly confined to monitoring of physical operation and maintenance of completed projects (in case of irrigation projects) and that these efforts are yet to deal with the community aspect of project sustainability (except in some limited cases where, as a part of donor conditions, NGOs are involved.)

New Directions and Key Issues:

In recent years, the overall development management system of the Indonesian Government including their monitoring and evaluation systems have undergone some significant changes. The changes in M/E are:-

- Substantial efforts are being made to strengthen the monitoring of foreign-aided projects, particularly their timely and quality implementation.

- There are moves to decentralise planning and development functions at provincial level, thereby prompting strengthening of M/E functions at that level.

- Resource constraint and increasing debt burdens are prompting the government to improve its project sustainability and cost-recovery systems, and therefore, new initiatives are underway to build some effective system of SM. However, the efforts at SM seem to be narrowly based and do not seem to cover the multi-dimensional aspects of SM. (For details on multi-dimensional aspects of SM see Chapter 8 Section 8.3.)
- There is an increasing use of computers (PCs) for data analysis, storage and dissemination (although staff at data source are yet to be adequately trained in the use of computers).

- Often the sources of primary data for projects tend to lie with agencies outside the project management and these agencies generate data on the basis of district boundaries rather than project boundaries, creating problems of data consolidation at project level.

- Staffing of M/E units and training in M/E particularly in the area of Sustainability Monitoring are lacking.

- Impact Evaluation as an important input for planning and policy making is yet to receive due consideration of the government.

In summary, M/E in Indonesia is currently being taken seriously by the government. Special teams set up by the Public Works Department to maximise utilisation of foreign-aid attest to this resolve. However, involvement of several stakeholders of M/E is creating overlapping as well as overloading of information. Participation of several donors is also seeing proliferation of several M/E methodologies resulting in confusion and strain on the government.

Sustainability monitoring currently practised on a limited scale by some departments needs to be expanded further in scope. Similar efforts may be made to spread the system throughout the government. Efforts should also be made to incorporate IE to the overall development management system of the government - preferably through some cost-effective methods.
2.2.2 **Malaysia**

The Origin of M/E:

In Malaysia, concern with timely and quality implementation of projects, budgetary control and need for problem-solving prompted the government to initiate a centralised M/E system as early as 1960. By about 1966, the government also felt the need to monitor actual outcomes of projects-matching project investments with project objectives. The prolonged experience of the country in M/E has enabled it to develop an integrated project reporting system which is "... a complex network of reporting channels, some vertical in nature, others horizontal". The entire reporting system is well co-ordinated and connected to all levels of the government—from districts to states to the centre. The reporting system is backed up by problem-solving entities created at all levels namely, District Action Committee (DAC), State Action Committee (SAC) and National Action Committee (NAC).

Implementation Co-ordination Unit (ICU) which has its provincial and district level offices, is the apex monitoring organisation dealing with progress implementation of ongoing projects. The Economic Planning Unit (EPU), the central planning organisation of the government, reviews performance of the line ministries every two years, requiring ministries to submit reports in prescribed forms. The Budget Division of the Treasury evaluates performances of the ministries annually—mainly from the financial point of view. Again, the fund disbursement process requires ministries/departments to report to the Accountant General's Office stating the actual physical works done in a given period.

These various reporting requirements, in addition to creating an excessive burden of reporting, have also been causing avoidable duplications and unnecessary administrative complications. These anomalies have been corrected since 1984, through development of an integrated reporting system, namely SETIA (System Economic Planning Unit, Treasury, Implementation Co-ordination Unit, and Accountant General's Office). Using different reporting formats which accommodate data requirements of these four major
stakeholders, information is now inputted directly into the SETIA terminal which is then stored in the SETIA database in ICU. The data is accessible to all ministries and their implementing agencies including the district and sub-district offices and the central agencies such as Treasury, EPU etc.

The government has also developed another reporting system, known as PEMANES, for monitoring the performance of approximately 900 public-sector enterprises. The system has been jointly developed by the ICU, the Ministry of Public Enterprises and the National Equity Corporation.

The most significant aspect of M/E in Malaysia is the realisation that a good reporting system must be backed up by a good problem-solving environment including dressing the M/E units with right clout. Accordingly, ICU, EPU and Treasury have all been placed under the Prime Minister's Office and various project review committees established (National Action Committee, NAC; State Action Committee, SAC; District Action Committee, DAC) at central, state and district levels are headed by the respective powerful decision-making entities at these levels. Its M/E system is further strengthened by a system of periodic project visits by powerful managers of the government.

These back-up initiatives which were strongest during the time of Prime Minister Tun Abdur Razak (1970's) has weakened since as a lot of the time of top leadership of the current government is taken up more by concerns of immediate political matters than those of development management.

Sustainability Monitoring (SM) of completed projects initiated through donor support has since been institutionalised at some project level by transforming the initial project management authorities into autonomous area development authorities, like Muda Agricultural Development Authority (MADA) and Kemubu Agricultural Authority (KADA). SM responsibilities have also become vital for organisations like the Federal Land Development Authority (FELDA) and the Federal Land Consolidation Authority (FELCRA) who, among other things, are also responsible for recovery of costs of their projects.

Since early 1980, the government has also institutionalised the Impact Evaluation (IE) system through creation of an IE organisation, Socio-Economic
Research Unit (SERU) at the Prime Minister's Office. (For details on Origin of Malaysian M/E and also for its Planning and Implementation System see Part II, Country Report: Malaysia.)

Organisation and Stakeholders of M/E:

At the national level there are several stakeholders of M/E in Malaysia.

- **Implementation Co-ordination Unit (ICU)** which requires progress monitoring data from line ministries on a continuous basis seeking both physical as well as financial data.

- **The Economic Planning Unit (EPU)** requires project data for mid-term evaluation (once in every two years) and also end-project data.

- **Budget Division of Treasury** requires annual financial performance data for budgeting purposes.

- **Accountant General's Office** requires information on completed portions of a project for fund disbursement purposes.

This disparate data requirement at the central level has since been integrated and computerised cutting down reporting overload and duplication of information generation. The integrated data system named SETIA (System Economic Planning Unit, Treasury, Implementation Co-ordination Unit, and Accountant General's Office), requires implementing agencies to report directly to the SETIA terminal located in ICU. Four separate reporting forms are used for data inputting. (For details on the SETIA system see Part II, Country Report: Malaysia.)

There is also another central level M/E stakeholder called PEMANES which monitors the performance of about 900 companies or public sector enterprises in which the government holds equity. The system is a joint effort of the ICU, the Ministry of Public Enterprises and the National Equity Co-operation.
Project level data reported to national level stakeholders also have to cater to some parallel reporting both at district as well as at state level-reporting through the district branch of the ICU to District Action Committee and the same report going through the state branches of line departments who in turn submit them to the state ICU and also to - through the federal headquarters of line departments - ICU for discussion and consideration at the State and National Action Committees respectively.

For large projects, like Integrated Area Development Projects (IADPs) practice is to report directly to ICU through line ministries.

All project authorities including the autonomous development bodies like MADA, KADA, FELDA and FELCRA have developed their own internal M/E arrangements.

Apart from these national and local level stakeholders of M/E at bureaucratic level, the Public Accounts Committee of the Federal Parliament and also the Accounts Sub-Committees of the State Parliaments, express their own interests in the trends of progress in government-sponsored development activities.

**Current Priorities of M/E:**

Priorities of Malaysian M/E are guided by four specific goals:

- "To ensure projects meet implementation schedules.
- "To control project expenditure (from exceeding allocated budget).
- "To identify problems of project implementation (so that these can be lessened or overcome).
- "To ensure projects meet their objectives."5

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IOPM in Malaysia through its SETIA system has been well developed and put in practice for the last several decades. Getting things done on the ground was a problem found during the initial days of development investments. ICU with its day-to-day reporting system on physical progress at implementation facilitation achieved through creation of Action Committees at different levels of the government, have been able to monitor and facilitate physical progress quite effectively. Similarly, Treasury reporting requirements ensure financial discipline, whereas, Accountant General's monitoring of billing submissions compares the financial expenditure with actual physical progress. EPU's Mid-term Reviews measure the management and absorptive capacities of different line ministries/departments.

The Malaysian Government having achieved a good IOPM system is now expanding its attention more towards Sustainability Monitoring of completed projects. The operation and maintenance of completed projects supported through revenue budget remains to be the sole responsibility of the line ministry/departments. SM concerns are most prominent for the projects of irrigation, rural development and social development projects. Budget constraints along with lack of training in SM - which involves a range of activities needing special knowledge and skills - often constrain the sponsoring agencies to initiate an efficient SM system.

However, SM efforts initiated by the World Bank at Muda Agricultural Development Project and the Kemubu Agricultural Development Project have since been institutionalised and successfully operationalised. One of the reasons why the comprehensive methodological approach and organisational arrangements of SM prescribed by the World Bank could be maintained so successfully is because both of these projects have since been turned into autonomous area development authorities (MADA and KADA), giving them full autonomy in budget and staffing. Delinking of these projects from the normal bureaucratic controls, have indeed enabled them to be flexible and to be able to respond to local needs and changes. Similar independent organisational approach for other rural development projects is becoming difficult to achieve as it tends to contradict and conflict with the overall bureaucratic arrangements of the government. For its rural development projects outside the MADA and KADA area, the government is adopting the concept of Integrated
Area Development Project (IADP) approach - sponsored through the Ministry of National and Rural Development (MONRDP). The MONRDP having been able to establish a good IOPM system for its ongoing implementation is expressing similar interest to develop a good SM system for their completed IAD projects - searching for such methodological and organisational arrangements which are efficient yet cost-effective.

For performance auditing of public-sector enterprises, the government is also making new initiatives of SM through PEMANES. Through a computerised monitoring and reporting system PEMANES plans to monitor the profitability of the enterprises, assist them in overcoming problems and improve internal management of the operational units. The system is, however, yet to be fully developed.

Submission of Project Completion Reports (PCRs) is a routine management activity - every project upon completion is required to submit PCRs to EP for record and future use.

Impact Evaluation of projects and programmes is a well-recognised M/E activity in Malaysia. Since the early eighties, Socio-Economic Research Unit (SERU), an organisation established at the Prime Minister’s Office has been made responsible for IE activities. Being a new organisation, SERU’s overall approach to IE is yet to be firmed up. Since its inception, SERU was able to undertake or initiate a number of IE studies: some initiated by themselves, others as per requests from the government or the donors.

In the context of 4-stage M/E activities presented in an earlier section, Malaysia’s current priorities in M/E - having achieved some degree of efficiency with their IOPM - is seen to be directed more towards sustainability monitoring and indeed to a lesser degree, towards impact evaluation of their programmes and policies. With IOPM the current emphasis is to improve its efficiency further. Whereas, with SM and IE, the problem is one of finding the right methodological and organisational approach.
Major M/E Outputs:

The major IOPM studies achieved through the SETIA reporting system are:-

- **S1 Form**: Data pertaining to project appraisal inputted by the line ministries to Economic Planning Unit. EPU also conducts mid-term evaluation of Ministry's performance. Ministries are also obliged to submit end-project status reports to EPU.

- **S2 Form**: Reports pertaining to annual budget applications inputted by the line ministries to Treasury where an analysis of previous financial performance is also given.

- **S3 Form**: Reports inputted by the State Planning Office/Line Departments to Implementation Co-ordination Unit on progress trends of projects.

- **Payment Voucher Form**: Reports pertaining to completed portion of projects inputted by the ministries to Accountant General's Office.

Similar regular IOPM reports are also generated at District and State Levels to the District and State Action Committees for review of progress. These two Committees mainly consider the issues prevailing within their respective administrative and bureaucratic purviews.

IOPM progress reports are discussed on a monthly basis at National, State and District level Action Committees.

Comprehensive SM reports are generated by M/E subcommittees of MADA and KADA for their projects within their command area. These reports - some generated on a weekly basis - cover such areas as water management, operation and maintenance of engineering facilities, crop planning and output, labour requirements and improvement of socio economic conditions in project areas. (For details on MADA's and KADA's approaches in SM see Part II, Country Report: Malaysia.) Similar comprehensive SM efforts are attempted by IAD projects of Ministry of Agriculture - mainly to fulfil the donor
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conditionality. However, the government is planning to institutionalise these SM efforts— in line with MADA and KADA models— by establishing Project Management Units (PMU) to the completed IAD projects. The types of reports that the PMUs will generate in future will depend on the methodological approach they adopt, issues they cover and on the organisational arrangements (both staffing and training) that these units receive.

The computerised monitoring system of PEMANES which monitors the performance of 900 public sector enterprises generates monthly reports highlighting the performance trends and problems faced by these units. These reports are discussed in monthly management review meetings.

In terms of IE, SERU’s (the central IE agency) responsibility is “to evaluate the socio-economic impact of national development programmes and policies”. Since 1982, SERU carried out, on an average, 47 studies annually— but not all of these were either IE or development related. Some studies were policy and issue related. And also not all these studies were initiated from SERU’s own resources— some were undertaken by outside agencies to which SERU played a co-ordinating role. In 1984, out of 47 studies, SERU’s own was only 11.

In summary, Malaysia’s main M/E outputs still tend to be IOPM related, except in the cases of MADA and KADA, where substantial SM reports are generated. IE studies although institutionalised seem to be undertaken more on an ad-hoc basis, rather than following any definite policy framework. Ex-post evaluation of completed projects, for foreign-aided ones, are mainly carried out as a fulfillment of donor conditionality.

**Major Strengths and Weaknesses of Current M/E Practices:**

The major strengths and weaknesses of the Malaysian system are:

**Strengths:**

- that the government through its SETIA system has been able to develop an integrated and an efficient computerised project information
retrieval system satisfying information needs of several stakeholders. This initiative has significantly cut down the information overloading and duplication of information generation by project managers:

- that the project reporting system has been backed by a problem-solving environment including dressing it with necessary clout (establishment of several Action Committees and project inspectors). These measures have also helped in overcoming the problems of inter-departmental co-ordination;

- that some SM efforts initiated by donors have been institutionalised through establishment of MADA and KADA type statutory bodies giving them full autonomy to experiment and refine their system;

- that the government has undertaken similar plans to institutionalise SM in IAD type projects through creation of Project Management Units making them responsible for successful sustainability of completed projects;

- that submission of end-project status report (referred to in this study as PCR) has been made mandatory thus enabling the government to learn valuable management information on implementation experience and also assisting them to improve future design of projects;

- that performance monitoring of public sector enterprises - who play an important role in industrial development of the country - have been institutionalised through establishment of PEMANES;

- that IE activities, despite some policy and organisational weaknesses, have been institutionalised through establishment of SERU.

**Weaknesses:**

The major weaknesses of current M/E practices in Malaysia are:-
that due to technical and organisational weaknesses prevailing at data source, capturing of time data in the computerised data banks at central level is proving to be a problem;

- that due to irregularities in field inspections, verification of accuracy of progress data is becoming a problem;

- that albeit installation of a well laid-out information system, failure of decision-makers to respond promptly to reported information is contributing to delayed implementation and less authentic reporting;

- that other than the MADA's and KADA's SM systems, sustainability monitoring at other sectors, particularly in the social sector is yet to be developed and institutionalised and organisational arrangements for SM of IAD projects continue to be weak as far as their staffing, budget and training is concerned;

- that IE efforts of SERU, although institutionalised, lacks policy directions making them undertake studies on an as and when basis;

- that the country's current leadership's shift of interest from development management (compared to the 1960's and 1970's) to matters of other immediate political concern, is seen to be affecting the performance of overall development including M/E - contributing to irregularities in project visits, delayed and faulty reporting and inadequate/delayed management responses to reported problems.

In summary, Malaysia has been able to initiate and institutionalise a well laid-out and well-integrated project monitoring and information system. Its current problem in M/E are mainly organisational and management-related. However, given the right commitment, understanding and necessary technical and financial backing, the Malaysian M/E system has the potentiality to develop itself into a fail-safe comprehensive monitoring and evaluation system covering all of the aspects of the M/E model as presented in Section 1.2.
New Directions and Key Issues:

- Through establishment of a computerised (SETIA) information system the Malaysian Government has been able to set up a fine example of integrated monitoring and reporting system satisfying information needs of several stakeholders saving project managers' time and avoiding duplication in information generation.

- Establishment of PEMANES underscores the government's commitments to and institutionalisation of performance monitoring of public sector enterprise in a unified manner.

- Successful SM of integrated rural development projects (irrigation, agriculture, socio-economic development) through MADA and KADA type organisational approach clearly exemplifies the merit of organising SM through autonomous administrative arrangements - enabling them to respond and adjust to ever changing field conditions, something which, within the routine bureaucratic control, is difficult to achieve.

- Albeit difficulties with creating separate MADA and KADA type autonomous bodies, the government's keen interest in improving the SM in the remainder of the IADP Areas, has been expressed through creation and perpetuation of Project Management Units responsible for, inter alia, SM of completed IAD projects. The government is also equally keen to improve the organisational and technical capabilities of PMUs.

- IE process institutionalised through SERU needs further improvement by way of raising the level of competence of IE staff and defining clearly its scope and degree of involvement - i.e. what should be evaluated, who should evaluate and what use would be made of IE studies. Similar steps should also be taken to link SERU, formally, to the planning process of the government, so that IE findings can contribute towards future designing of projects and policies.
In brief, the Key issues confronting the Malaysian M/E, is to raise further the efficiency of the current IOPM system, develop and institutionalise the SM system at most of the other IAD and Social Sector Projects and finally to improve the organisational and methodological capabilities of its current IE system.
2.2.3 Philippines

The Origin of M/E:

In the Philippines M/E has had a mixed history. In the past, although some M/E activities were organised at project level - mainly through donor initiatives - development of a permanent and efficient M/E covering the entire development scene was never attempted. Several reasons are attributable (Callanta: See Part II, Country Report: Philippines):

- absence of commitment required from agency heads to tender a comprehensive performance report to the constituency;

- the absence of mandate to regularly report to one co-ordinating agency like the Planning Department; 6

- lack of trained personnel to do the monitoring;

- the absence of designating accountabilities and specific responsibilities of project people from the national to the project level; and

- lack of resources to support and maintain M/E functions of projects and agencies.

6 Although there were provisions for projects to submit monthly reports to the National Economic Development Board (NEDA), they were never seriously imposed.
Weaknesses like these resulting in poor implementation of projects and the institutional inadequacies of overall development management system left by the previous government, prompted the present government to initiate measures completely reorganising its current system including strengthening of M/E at different levels of the government. To this effect, the government has since 1987 formed a national committee, Project Facilitation Committee (PFC) more commonly known as Estuar Committee (named after the Chairman of the Committee who is also Undersecretary to the Department of Public Works and Highways). One of the main tasks of the Estuar Committee is to devise ways and means of improving implementation efficiency including development of an integrated M/E system. The PFC is also responsible for, through its regular project review meetings, resolving problems affecting the large foreign-aided and nationally important projects. PFC's role is seen more as an initiator in the institutionalisation and improvement of the overall development management system in the country. Once the process is complete PFC is planned to be gradually phased out and disbanded.

Since then, at the central level, the National Economic and Development Authority (NEDA), the central planning organisation of the government, has been reorganised to assume greater M/E responsibilities. A new unit called Project Monitoring Staff (PMS) has been created, whose different divisions, in addition to monitoring different economic development projects, have been made responsible for developing and institutionalising a decentralised planning system in the country. PMS also controls all the regional offices of NEDA. Besides ongoing monitoring, PMS is further responsible, through its newly created Ex-post Evaluation Division, in undertaking evaluation of completed projects. Again, NEDA's Systems Development and Data Processing Division is responsible for computerising and storing all monitoring data. For the current Mid-Term Philippines Investment Plan (MTPIP, 1988-92) NEDA has already instituted a system of quarterly reporting on project performance.

Similar actions are also initiated at the level of line departments. For example, to strengthen the M/E efforts of the Agricultural Department, particularly for the foreign-aided projects, a separate office namely, International Agricultural Development Cooperation and Coordinating Office
(IADCCO) has been created. New M/E guidelines for agricultural projects are also being proposed. The IOPM initiatives of National Irrigation Administration (NIA) have been in practice for some time and by now have been able to develop a good monitoring system for implementation of its ongoing projects. Efforts are also made to involve the NGOs for M/E at community level.

The Commission on Audit (COA) which is responsible for pre and post audit of projects undertake financial monitoring of completed portions of a project.

The Government's current effort at reorganisation of its overall development management system including M/E - which is substantial - is taking time to take its roots. Low morale of project staff, heavy turnover of government officials, low budget, inadequate staffing and low or slow compliance of the line agencies are seriously impeding the institutionalisation of the process.

In a country where immediate concern is to clear up the backlog of ongoing implementation, SM and IE, though recognised by the government as important aspects of M/E, are difficult to practice. Although NEDA's PMS has an Ex-post Evaluation Division - attesting government's concern to this resolve - is yet to develop or institutionalise a system of undertaking ex-post evaluation of completed projects on a continuous basis. However, the World Bank is supporting NEDA to structure a system of ex-post evaluation to its emerging project monitoring system. Also in the past, some ex-post evaluation studies undertaken through donor initiatives reported to have produced beneficial results in the way of improving the project design and planning.

In brief, the Philippines' M/E system is in the process of undergoing some changes - with efforts initiated mainly to strengthen the IOPM system at all levels.

At the department level, NIA with its matured IOPM system, is endeavouring to develop an efficient SM system for successful operation and maintenance of the completed irrigation projects.
Impact Evaluation though had an organisational start, is yet to be fully institutionalised and not yet made operational in any meaningful way.

NGO involvement in M/E, a recent and a significant initiative, has the potential to improve the SM and IE at the grass root level.

**Organisation and Stakeholders of M/E:**

Over the years, the Philippine M/E system has undergone several changes and currently, is still in the process of further development. As of late, the following are the major stakeholders and organisations of M/E in the Philippines:

At the Central Level:

- **National Economic and Development Authority (NEDA)** is the central co-ordinating agency for M/E. Within NEDA called, the Project Monitoring Staff (PMS), has the direct responsibility of ongoing monitoring of projects. The Ex-post Evaluation Division of PMS has been created to undertake impact evaluation of projects on an institutionalised basis.

- **The Department of Budget and Management (DBM)** approves annual budget and undertakes financial monitoring of ongoing projects.

- **The Commission on Audit (COA)** is vested with the responsibility of performance evaluation of projects in the context of fund utilisation, observance of financial rules and procedures, use of infrastructure and equipment.

- **The M/E units of Line Departments** - some (like Agriculture) created special units to specifically monitor the foreign-aided projects only. Efforts have also been made to nominate, within each ministry, a senior official (Undersecretary level) as a nodal person co-ordinating and monitoring project implementation within his/her ministry.
- NEDA's System Development and Data Processing Division is engaged in creating a data bank on project planning and performance.

- The Project Facilitation Committee (PFC), a high-powered committee set up to prescribe an improved development management system for the government is also engaged in monitoring the large foreign-aided projects on a temporary basis or until the overall M/E system is perfected.

- The Congress at national level is also taking an increasing interest in overseeing the progress in projects.

At the Regional Level, the Regional Development Councils (RDC), where NEDA's Regional Offices are members undertake M/E of both national as well as regional projects. However, due to organisational weaknesses, the M/E efforts of RDCs tend to remain rather weak.

At the Project Level, the M/E units of projects - mainly for foreign-aided projects - undertake IOPM. These M/E units through foreign support are comparatively better organised logistically. However over-centralisation of decision-making with regard to contracting, procurement and staffing often reduces M/E efforts of these units to reporting only.

**Current Priorities of M/E:**

As mentioned earlier, the Philippines is in the process of completely reorganising its development management system in general and M/E in particular. The recently formed Project Facilitation Committee (PFC) which in addition to facilitating quick implementation of some "sick" foreign-aid projects, is also vested with the responsibility of initiating and improving M/E systems of the entire government. Creation of PMS in NEDA and IADCCO in the Agricultural Department are indications of initiatives that are underway. However, some measures in institutional development are also needed to link the entire government to NEDA's centralised M/E system which seem to be hampered by several factors - lack of implementation co-ordination and
problem-solving environment at all levels of the government including frequent turnover of government officials from one position to another, particularly at this early stage of organisational development.

The Government's immediate concerns with project implementation and quick disbursement of foreign loans (only 60% of allocated funds were utilised during 1987-88) - impair its ability to initiate any sustainability monitoring and impact evaluation activities. The government is also initiating measures to strengthen its regional M/E arrangements - which can only be achieved after straightening of the system at central level and project level.

However, at departmental level, the Department of National Irrigation Administration which has a well developed IOPM system, is extremely keen about adopting innovative methodologies for monitoring the community aspect of the SM.

For grass-root activities, the government has also made a significant decision of involving NGOs in this area. Institutional arrangements are on the way to include NGOs at all levels and all aspects of planning and implementation.

Ex-post evaluation of completed projects - often a donor requirement - has never been a priority M/E function of the government, although of late, recognising the value of IE, the government has initiated measures to institutionalise IE activity on a regular basis.

In sum, the Philippines is still in the process of organising its M/E system - giving more emphasis on IOPM. Some guidelines and methods have been devised which are yet to be fully implemented. The government is also emphasising decentralised planning which may have to consider similar sort of organisational and management issues confronting the development of the system at the central level.
Major M/E Outputs:

Input/Output Process Monitoring (IOPM) Reports:

Currently, the main monitoring studies are related to IOPM reports stating implementation status, status of fund utilisation, procurement and infrastructure development. NEDA's current monitoring system requires projects to submit, directly, quarterly progress reports to NEDA. NEDA, in turn, analyses them, and in cases of slippages between targets and achievements, issues "Alert Letters" to Administrative Departments/Ministries for immediate corrective measures.

Reports on IOPM are also discussed at the Regional Development Councils during their monthly review meetings.

The recently created high-powered "Project Facilitation Committee" often asks for Special Reports (foreign-funded) from projects which experience serious shortfalls in their implementation targets.

Sustainability Monitoring:

Sustainability of completed projects, is a continuous problem in the Philippines, particularly for community-based rural and/or social development projects. There are no particular M/E systems developed to monitor these projects. Lack of funds, difficulties of absorbing completed projects into the revenue budget and general lack of interest in operation and maintenance of projects seriously hamper their sustainability. While sustainability and need for sustainability monitoring is attracting increasing attention of the government, their current immediate concern with improvement of ongoing implementation is affecting initiation of any tangible steps for SM.

However, concern with wider distribution of benefits and cost-recovery of income-generating projects are prompting the government to strengthen operation and maintenance of projects of some select departments like National Irrigation Administration (NIA). The SM reports, generated on a monthly basis from project to headquarters concerns the status of physical
maintenance of project facilities only. Other crucial SM issues such as beneficiary participation, institutionalisation of farmer organisation etc. still remain uncovered.

**Project Completion Reports (PCRs):**

Currently, there is no system of generating end-project status reports. However, PCRs are generated for foreign-funded projects - provided funds for these studies are also made available from donor agencies as well. Even donor-funded PCRs face problems due to:

- dismantling of project management with the completion of projects, thus making the organisation of data source unavailable;
- lack of any system to file and consolidate IOPM data, making collection of data a difficult and lengthy one; and
- lack of interest of the government in PCRs as such.

Short of government's interest and appreciation of PCR as an important tool in planning and implementation of future projects, institutionalisation of PCR studies as a part of M/E activity may be difficult to achieve.

**Impact Evaluation (IE) Studies:**

Although an Ex-post Evaluation Division has been created within - which remains to be quite inadequate organisationally - IE of projects and programmes are yet to be undertaken on a regular basis. In the past, quality and acceptability of IE had suffered due to various reasons: in-house IE studies tending to be biased, whereas external IE findings were not always acceptable to project management.

Due to limitations of funds, IE studies almost always were initiated by donors. But these studies at times encountered difficulties caused by disagreements experienced between the donors and the project management
regarding the objectives and findings of IE. The length of time taken in IE studies has also weakened their usefulness. These and other organisational reasons have always rendered IE as an unattractive proposition to the government.

In brief, current M/E outputs in the Philippines mainly concern IOPM reports – something that still requires further improvement in their timely and quality submissions. Except at some departmental level, SM studies are rarely undertaken. However, the government’s recent plan to involve the congressmen in development management – who are likely to show more concern about sustainability of projects in their own constituencies – may prompt better management and reporting on completed projects. For IE studies – now that there is an organisation for IE is in place – future initiatives in this M/E activity may have to concern itself with the aspects of prioritisation of projects for IE, mobilisation of fundings, and reaching agreements on methodology and outputs of IE (in case of donor involvement) between the project management and other agencies.

**Major Strengths and Weaknesses of Current M/E Practices:**

Following are the main strengths and weaknesses of the Philippines M/E system:

**Strengths:**

The current Philippine strengths are:

- that the government is fully convinced of and committed to revamping its M/E system to its emerging development management system;

- that plans to include the people's representatives in the M/E process is an innovative move which has the promise of ensuring prompt and steady reporting on project status;

- that inclusion of NGOs in specialised monitoring of grass-root
activities is likely to provide feedback on sustainability particularly in the area of community participation;

- that there is a move to strengthen the planning and monitoring arrangements at the regional level;

- that actions are underway to simplify and integrate the project information and reporting system;

- that there is total recognition of the importance of IE in development management which has been expressed through creation of an IE organisation within the government (the Ex-Post Evaluation Division of NEDA);

- that attempts are being made to create a project data bank at the central level of the government; and

- that M/E of foreign-aided projects has been substantially strengthened.

Weaknesses:

- that although attempts are underway to improve the IOPM system, serious problems still persist in the area of staffing, staff training and budget;

- that M/E for foreign-aided projects are better organised because of, inter alia, better staff motivation and commitment resulting from incentive salaries (20% above normal, for staff working in foreign-aided projects) and better logistics, thus weakening M/E of nationally-funded projects whose staff do not receive these incentives.

- that, for similar reasons, Sustainability Monitoring, funded through revenue budgets of the government, is extremely poorly organised;

- that lack of problem-solving environment, and inadequate management
response to project reports, an important aspect of efficient IOPM, discourages timely and quality reporting;

that evaluation of projects by the external agencies are viewed with suspicion by the project managers - as they feel it to be more of a "fault-finding" exercise - thus receiving inadequate co-operation from them;

that ex-post evaluation is difficult to undertake, as because the main data source, the Project Management gets disbanded with the completion of a project;

that PCR's of some foreign-aided projects obtain, at times, only partial data of a project, as the exercise is undertaken after the expiry of the foreign loan or grant although implementation of the full complement of the project may still be continued and supported through government funding;

that the Ex-post Evaluation organisation of the government (located in NEDA) is at the most engaged in co-ordinating evaluation activities sponsored by donors only and is inadequately staffed and lacks clear-cut policy directions;

that there is no clear-cut institutional arrangements to link the findings of ex-post evaluation to the planning process of the government;

that the attempts at simplifying and unifying the current M/E system are yet to be realised and most of the initiatives appear to be occurring at departmental levels, often in isolation from one another;

that lack of trained staff including heavy turnover of staff within the government seem to be seriously affecting the initiatives in developing and strengthening of the planning process including the M/E in the Philippines.
New Directions and Key Issues:

Salient features and most of the emerging issues of the Philippines' M/E system has been discussed in the preceding sections. However, the most outstanding issues confronting the system are:-

- that immediate measures must be taken to improve the government's implementation monitoring system with particular attention given to linking of reporting with that implementation facilitation;

- that field inspections of projects constrained by inadequacies of budget, needs to be institutionalised with necessary budget and method;

- that decentralisation of planning and monitoring activities at the regional level needs to be strengthened through initiation of better organisational arrangements by providing adequate staff, training and budget;

- that Sustainability Monitoring an equal concern of the government may be developed and structured within the emerging development management system of the government;

- that the system of PCR (from the point of view of End-Project Status Report) should be institutionalised and installed at every project;

- that equal attention should be given to strengthen the M/E of nationally-funded projects as well;

- that IE activities currently planned through Ex-post Evaluation Division of NEDA should be backed up by a clearly defined national policy on IE rather than limiting its use as a mere co-ordinator of donor sponsored evaluation activities - as seems to be the current position;
that, similar to the government's current plans to develop a Data Bank at the central level of NEDA, steps may be initiated to develop a Data Bank at the regional level as well. A good regional Data Bank will greatly facilitate operationalisation of cost-effective and efficient Sustainability Monitoring as well as impact evaluation system in the country; and

that several methods and methodologies being devised at different departments - mainly due to involvement of several donors - require standardisation, thus minimising overloading of systems and lessening of organisational complications.

In brief, the Philippines' M/E is undergoing a process of complete reorganisation, and has to seriously consider some methodological, organisational and institutional issues before the intent of the government can fairly match the actual shape of things that are likely to emerge.
2.2.4 Thailand

The Origin of M/E:

In Thailand, until recently M/E responsibilities of development projects were mainly vested with the project authorities and their respective line departments. However, with increasing involvement of the public sector in the development of the country along with increasing foreign inputs, monitoring and evaluation activity has increasingly become a concern of the central government agencies (CGAs).

Since the late seventies and early eighties, several CGAs with different objectives got involved in M/E. Traditionally, the Bureau of Budget (BOB) has been monitoring the financial aspects of the development projects-matching release of funds with expenditure. NESDB (National Economic and Social Development Board) also monitors projects at two levels: macro monitoring and, on a select basis, impact evaluation of poverty alleviation related projects. For its monitoring, NESDB utilises the data base developed at the Thamasat University. The data base of the Thamasat University maintains socio-economic information from central to village level.

The Department of Technical Co-operation (DTEC) is responsible for monitoring the Technical Assistance projects in the country.

A National Monitoring and Evaluation Centre (NMEC) was also established under the Office of the Prime Minister in 1979. Its activities being centralised, M/E was controlled and managed by a centralised M/E Committee which was chaired by the Secretary to the Cabinet. There was also an NMEC sub-committee chaired by the Deputy Secretary to the Cabinet. The NMEC since the first year of its operation has almost become a dormant organisation.

Lately, the most interesting development of M/E in Thailand has been the initiatives of the Office of the Auditor General (OAG). Although OAG's interest in monitoring was recognised since 1979, it was not until the creation of Performance Audit Division (PAD) in 1983 within it, that OAG's
involvement in M/E of development projects became more clearly defined and highlighted. PAD is mandated to monitor, both financial as well as physical aspects of all development projects that are financed out of national budget and foreign loans. PAD aims to monitor both ongoing as well as completed projects including performance evaluation of the different project management systems engaged in implementation and management of development projects. PAD's initiatives being new, its coverage therefore tends to be very limited and the Division is still in the process of developing sectoral guidelines for monitoring projects of different sectors. PAD is also aiming to develop a data bank containing information on different implementational as well as planning problems affecting the quality and timely implementation of projects.

Other centralised M/E initiatives have been the creation of specialised units at the central levels of different line departments. For example, the Department of Agricultural Economics of the Ministry of Agricultural and Cooperatives, has installed within it, two separate divisions, namely Plan Implementation Division - for implementation monitoring - and the Division of Economic Projects and Programme Evaluation - for impact evaluation. Similarly, the Project Planning Division's M/E Branch and the Budgeting Division of the Royal Irrigation Department have been created to undertake the impact evaluation and engineering monitoring of its projects respectively. Most of these entities have, however, emerged mainly through donor interventions.

Again the National Education Commission through its Evaluation and Research Division have been able to install and operationalise an effective system of summative evaluation of educational development programmes of the Thai Government. Its evaluation efforts also do appear to be equally dependent upon external funding.

In sum, the involvement of CGAs in M/E is a recent development in Thailand, mostly coming through donor initiatives and despite some serious efforts by different agencies to strengthen their centralised M/E systems, there is yet to emerge a single monitoring organisation which could cover and maintain monitoring information of all the projects in the country. Given the right
support and expertise, the Performance Audit Division of the Auditor General does seem to possess both the necessary bureaucratic autonomy as well as the intellectual potentiality to accommodate such activities.

Organisation and Stakeholders of M/E:

The major stakeholders and organisation of M/E in Thailand are the following:

At Central Level:

- National Economic and Social Development (NESDB), the central planning agency of the government is responsible for mid-term evaluation of economic development and selective monitoring of "poverty-eradication" projects. For monitoring of the "poverty-eradication" programme, NESDB mainly uses data bank developed at the Thamasat University. The data supplied by the Thamasat University is used for planning purposes as well.

- The Bureau of Budget (BOB) undertakes ongoing monitoring of about 50% of the current project receiving information through a reporting format called P.304. The BOB also co-ordinates Project Completion Reports sponsored by donor agencies including collecting and storing end-project status reports of completed projects. Use of Format P.304 has since been adopted by the Ministry of Agriculture and Co-operatives and the Ministry of Interior (Rural Development Projects). Computers (PCs) are used for data storage and analysis. BOB's Evaluation Division with 70 staff are engaged in M/E.

- Performance Audit Division (PAD) of the Auditor General's Office of late, have been engaged in M/E of projects on a select basis. PAD is also planning to extend similar M/E of projects at regional as well as at district levels through their regional and district offices. With World Bank assistance PAD was able to develop computer capabilities for its M/E activities. PAD mainly undertakes performance evaluation of completed components of ongoing projects.
The Department of Technical Co-operation (DTEC) monitors all the technical assistance projects.

At Sectoral Level:

- National Education Commission (NEC) has developed impressive technical capabilities for M/E of educational programmes of the Thai government including impact evaluation of five-year educational plans. NEC also has well trained staff including computer facilities for design and administration of evaluation studies. Its current aim is to further refine its methodological approaches.

At Departmental Level:

- Every line department has its own M/E arrangements often established to monitor the foreign-aided projects. The internal monitoring arrangements of line departments vary from department to department, although the departments with foreign projects such as Agricultural Land Reform Office (ALRO), Royal Irrigation Department (RID) and Department of Rural Development (DRD) maintain better management and financially supported M/E systems. Most of the M/E efforts of line departments are confined to IOPM only.

At the Project Level:

- M/E units at project level - mainly for foreign-aided projects - are created to control and co-ordinate fund disbursements, physical implementation and in the case of multi-agency participated projects, inter-departmental co-operation. The monitoring methodology of these M/E units, mainly supported by donors, are achieved through reporting, review meetings and occasional field visits.

At Regional/Provincial/District Level:

- For improving inter-departmental co-ordination - seen as a serious problem in Thailand - the government is attempting to strengthen the
provincial and district level M/E through the offices of the provincial governors and district officers co-ordinating the activities of different agencies involved in a project.

**Current Priorities of M/E:**

The Thai Government's immediate concern is to improve the ongoing implementation of projects, particularly the ones involving multi-agency participation. Several Steering Committees with necessary clout are being established at all levels - central, provincial and district - to ensure better inter-departmental co-operation and co-ordination. However, some concrete measures are still needed to formalise the operational methodologies of these co-ordinating agencies. Similar steps are also necessary to link these from district to central level so that outputs of one forum can be synchronised and shared with the other.

The government is also in the process of improving and standardising its reporting for IOPM. Use of micro-computers - at all levels - are encouraged for collection, collation and analysis of data.

The immediate M/E priority of the government is, therefore, to develop a standardised and integrated M/E system at the central level - mainly to ensure timely and quality implementation.

In recent years, government's concern about "value-for-money" for its investments has seen involvement of the Auditor-General's Office - though on a limited scale - in performance auditing of public sector projects. The Performance Audit Division (PAD) of the Auditor General's Office is, at present, engaged in devising different methodologies for auditing projects of different sectors.

Since 1982, the Bureau of Budget has ensured tighter control over financial expenditure which it compares with actual physical progress. Executing agencies are now required to submit implementation schedules and completion of project activities at regular intervals coinciding with budgetary allocations.
While some measures are underway to improve the IOPM system, sustainability of completed projects - although a concern of the government - is yet to assume institutionalised application. However, in some projects (like the Pichit Land Reform Project) where donors have also supported the operation and maintenance phase of a project, effective SM techniques were possible to design and apply within the Thai bureaucratic framework. Encouraged by these results the government is showing increasing interest in initiating SM systems at its other projects, particularly at the rural development projects.

Impact Evaluation is the least attended to M/E aspect in Thailand. However, at sectoral level - underscoring the government's commitment in the area - the M/E unit of the National Education Commission (NEC) is mandated to carry out impact evaluation of educational investments. NEC's M/E outputs are also linked to the planning process of educational development in the country.

In brief, current M/E initiatives in Thailand are predominantly focused on improving the IOPM system including standardising and integrating the project information system at the central level. Efforts at improving and institutionalising the problem-solving environment at all levels are also underway. Performance Auditing - although done on a limited scale and constrained by budget and lack of technical competence - is another emerging interest of the government. Impact Evaluation - formalised at education sector - is yet to be an institutionalised aspect of the government covering the rest of the sectors.

**Major M/E Outputs:**

Major outputs of current M/E efforts in Thailand are:-

- Regular monthly/quarterly IOPM reports at departmental levels, particularly for foreign-aided projects.

- Progress reports to Bureau of Budget submitted through P.304 forms. Findings from these reports are analysed and projects with serious problems are presented to higher decision-making entities for necessary actions.
Performance Audit Reports of Performance Audit Division (PAD), covering 20 projects a year (out of a total of nearly 1800 projects).

Mid-term evaluation reports generated by the National Economic and Social Development Board (NESDB). Agricultural Division of NESDB, in particular, generates progress reports on poverty-eradication programmes. Thammasat University maintains base data and updates them on a yearly basis to indicate changes. The data bank of Thammasat University is used by NESDB for both monitoring as well as for planning purposes.

Elaborate PCR studies are generated by the donors for their own projects through the Evaluation Division of the Bureau of Budget.

A very few SM reports are generated except for Pichit Land Reform Projects where these reports are used for ongoing adjustments to projects.

Regular impact evaluation studies are generated for projects of the educational sector.

In summary, the current M/E outputs mainly concern the IOPM reports. Performance Audit Reports of PAD are generated more on an ad-hoc basis. IE of projects, except for the education sector, is not mandatory.

**Major Strengths and Weaknesses of Current M/E Practices:**

The major strengths and weaknesses of the Thai's M/E system are:

**Strengths:**

- Several initiatives are underway to strengthen the IOPM. One such initiative is to link the reporting with problem-solving arrangements at several levels of the government. The decision to establish co-ordinating Steering Committees at several levels is one such step.
Government is also taking initiatives to standardise and integrate the project reporting system at central level.

The involvement of the Auditor General's Office in M/E to ensure "value-for-money" for public sector investments is, indeed a very innovative and a significant move in M/E.

Development of a consolidated data bank at several levels - Thammasat University on socio-economic information and Bureau of Budget on implementation experience of projects - is one important development in M/E.

Encouragement and use of computers for data storage and analysis has the promise of processing and utilising data fairly quickly and efficiently.

Institutionalisation of Impact Evaluation for educational development.

Weaknesses:

M/E as a useful tool in management and planning is yet to attract full appreciation of the decision makers of the government.

Quality reporting from data source, i.e. from field level, is poor mainly due to under-staffing, inadequate logistics and low level of staff competence. Quality of reports and regularity in reporting also suffer due to inadequate management interest and poor management responses to reports generated. Or in other words, the current reporting system lacks feedback linkages to decision-making process.

The country also lacks a central location consolidating and integrating project information in one place.

Use of computers for data analysis, although encouraged at all levels, lacks trained staff at data source thus limiting, if not jeopardising its full and efficient utilisation.
Poor implementation co-ordination and lack of linkages between the M/E unit of a lead implementing agency with that of other support agencies continue to affect quality data collection and efficient implementation.

PCR studies often initiated by donors often limit its circulation to discussion on PCR findings with ministry level of the government and not involving the executing agencies so much, thus depriving them from learning any lessons from these studies.

Sustainability Monitoring is yet to become an institutionalised aspect of M/E in the country.

Impact Evaluation of projects often considered expensive and lengthy is rarely undertaken for completed projects (except for education sector).

**New Directions and Key Issues:**

In recent years the Thai M/E system has experienced some interesting developments:

- There is an emerging realisation in the government that to improve implementation and to make M/E effective, the reporting initiatives must be linked with some problem-solving initiatives. This realisation has resulted in the establishment of several Steering Committees at different levels of the government.

- Bureau of Budget's M/E initiatives by emphasising to match expenditure with actual physical progress have greatly assured the quality of implementation.

- Similarly, involvement of the Auditor General's Office in M/E has assisted in highlighting the management weaknesses in project implementation.
Establishment of the Data Bank at the Thamasat University covering socio-economic information of 54,000 villages of the country, has proven to be a very useful data source for M/E as well as planning of projects.

The Key issues concerning Thai M/E are: further need for improvement of project level M/E, organisation of co-ordinates of M/E at provincial and district levels; institutionalisation of SM systems and development of an integrated and standardised M/E system at the central level.

In summary, M/E initiatives in Thailand are still geared to the IOPM system. SM efforts seen at land reform and at some rural development projects need further refinement. Similar efforts may also need to be institutionalised throughout the government. Similar to the Thamasat University's Data Bank on socio-economic indicators, there is an immediate need for establishment of a unified data collection and updating system for projects as well. At present project information is maintained at departmental level only and that too only for the period of the implementation. Centralised Data Bank in project activities may greatly enhance the quality of information on project implementation trends including categorising the types of problems faced, both in general as well as in specific terms.
3.0 SOUTH EAST ASIAN M/E: A COMPARATIVE DISCUSSION ON ORGANISATIONAL AND MANAGEMENT ISSUES

3.1 Organisational Issues

From the organisational point of view the prevalent regional M/E scene indicates the following trend:-

- that project managers of these countries in the region have to cope with a large number of stakeholders of M/E information, such as the planning agencies, ministry of finance, audit bureaus, headquarters of line departments, provincial governors (especially with emphasis on decentralised planning), and the politicians. For foreign-aided projects, donors add to this list quite prominently. Except for Malaysia which minimised and simplified its project information system - through SETIA system - project managers in the remaining countries, particularly in Indonesia, are burdened with extreme information overload;

- that every country in the region, except Malaysia which has already done so, are in the process of developing and strengthening their decentralised M/E system;

- that inter-departmental co-ordination in multi-agency participating projects is a problem. However, this problem is significantly minimised when integrated multi-disciplinary type projects are implemented through a single autonomous type body, (like MADA and KADA in Malaysia), placing inputs of complementary disciplines under single administrative control. The other countries are attempting to resolve this problem by resting greater co-ordinating roles to the Provincial Governors and District Officers;

- that project reporting is not often adequately backed up by problem-solving, a lapse that acts as disincentive for project managers to generate accurate and timely reports;
that sustainability monitoring is rarely practiced except for some donor-supported projects whose SM are also supported by donors, like Pichit in Thailand and irrigation projects in Indonesia. However, institutionalisation of SM in these projects may be a problem unless they are organised as per MADA and KADA type organisations which have the flexibility of staffing and budgeting;

that impact evaluation, a rare occurrence in most countries, is done as a permanent institutional process through SERU in Malaysia only. However, the National Education Commission of Thailand has instituted within itself a permanent system of IE extolling the government's commitments in the educational development of this country;

that except for Malaysia, central monitoring agencies in the other countries are mainly interested in aggregate socio-economic data whereas Malaysia's data base at ICU maintains detailed information on projects. However, recently, the Auditor General's Office of Thailand is becoming increasingly involved in in-depth monitoring of ongoing projects and has plans to develop a comprehensive data bank on project status;

that although the governments of the region are showing increasing concern about sustainability, inadequate organisation of SM deprives them from obtaining any meaningful data on project sustainability. However, MADA, KADA and FELDA in Malaysia who are autonomous statutory bodies and whose projects have mandates of cost-recovery, have particularly committed their managers to systematically collect, analyse and use SM data;

that IE activities haven't institutionalised in Malaysia at national level and in Thailand at sectoral level, the education sector;
that, of late, as debt-liability is becoming a serious problem for these countries, their central governments are tending to concentrate their organisational efforts more on monitoring of the debt-servicing and debt-management issues often at the cost of ongoing monitoring of projects.

3.2 Management Issues

The salient management issues involving the South East Asian M/E are:-

- that M/E units of these countries both at project as well as at central level suffer from inadequate staffing as well as training. Use of computers for data analysis - though given priority - often is difficult to achieve due to lack of training, particularly at field level. The computer capabilities built at field level (often through donor support) are also, at times, difficult to sustain due to inadequate budgetary and logistics support;

- that M/E units often fail to attract quality staff as these positions tend to lack promotion prospects particularly in those organisations which by their very nature tend to limit upward mobility of M/E staff (for example, an economist as M/E Officer in an Irrigation Department - a department of engineers);

- that lack of budget and transport facilities often constrain efficiency of M/E units, particularly affecting field visits. Over-computerisation in some countries has also resulted in infrequent field visits thus affecting quality control on reported data. Inadequate field visits also tend to affect managements' ability to appreciate problems at field level;

- that lack of decision-making or decision-support clouts with M/E units often constrain them from obtaining timely reports;

- that most of the M/E units in these countries have been established to undertake implementation monitoring and therefore, these units are
neither retained nor (in cases where they are retained) are they re-equipped or retrained to undertake the task of Sustainability Monitoring;

that in countries where there is permanent organisation of Impact Evaluation (like SERU in Malaysia), staffing and budget are too inadequate to undertake IE studies in any meaningful way;

that unco-ordinated demands for project data by several stakeholders, often led to generation of repetitive data by the M/E units of most countries.

In summary, several organisational and management factors continue to weaken the M/E efforts of the region: Information overload, lack of management response to reported data, weak inter-departmental co-ordination, inadequate staffing, training and budget of M/E and lack of career opportunities of M/E staff. All these problems have often resulted in the generation of irregular and unreliable data. In some cases, project managers are also reluctant to report truthful data, especially failures, as they feel that these will earn them admonishments. They tend to view M/E as a fault-finding rather than a fact-finding exercise. Lack of a truthful and an appreciative environment have also been affecting quality reporting. However, these and other factors which continue to affect implementation of M/E in the region are listed in the following section.

3.3 Factors Affecting the Implementation and Utilisation of M/E

In general, factors that tend to affect the implementation and utilisation of M/E are:-

- weak organisational and management capabilities of M/E units resulting in poor quality and delayed reporting;

- inadequate designation of project responsibilities (who should do what and when) and poor management accountability contributing to poor monitoring and delayed implementation;
collection and reporting of excessive data, often with questionable usefulness contributing to information overload;

delayed collection (often incomplete) and presentation of data diminishing management utility;

reporting of fictitious accomplishments - especially in a non-sympathetic management environment - combined with inadequate field inspection contributing to misleading reporting;

limited mechanisms for acting on problems identified in the report. In many cases, problems are simply noted and made known when occasions arise, and at times difficult to obtain results on identified problems due to over-centralisation and excessive involvement of too many decision-makers;

casual treatment to reports by higher management who on occasions, simply receive and file these without any analysis or management feedback;

in multi-agency participating projects, inter-agency conflicts and lack of co-operation among different participating organisations often hinder data gathering and subsequent management decisions; particularly at field level;

lack of appreciation and awareness by the people responsible for preparing and submitting reports regarding the importance or usefulness of the information contained in the reports also contribute to poor reporting. They simply fill it out because higher authorities require it.

The problems listed above seem to - in some form or the other - affect the implementation and utilisation of M/E in the entire South-East Asian region. However, in all the countries, the only monitoring reports which are efficiently generated and used are those required by the Finance Ministries.
The following table summarises the organisational and management problems affecting the M/E in the region.

**TABLE 3**

**KEY ORGANISATIONAL AND MANAGEMENT ISSUES**

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<tr>
<th>Organisational Issues</th>
<th>Management Issues</th>
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<td><strong>INDONESIA</strong>:</td>
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<tr>
<td>1. Lacks unified and</td>
<td>1. Inadequate staffing and</td>
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<td>integrated project</td>
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<td>MIS at central level.</td>
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<td>2. Lacks institutionalised</td>
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<td>system for Sustainability Monitoring &amp; Impact</td>
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<td>Evaluation covering all sectors.</td>
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<td>facilities at local level.</td>
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<td>and problem-solving.</td>
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<td><strong>MALAYSIA</strong>:</td>
<td>5. Dependence on too many</td>
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<td>1. Lacks timeliness in</td>
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<td>2. Infrequent project</td>
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<td>Organisational Issues</td>
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<td>and institutionalisation of decentralised M/E system.</td>
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<td>4. Inadequate implement-</td>
<td>4. Poor motivation of M/E staff and project managers.</td>
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<td>ation, co-ordination and problem-solving initiatives.</td>
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<td>5. Inadequate Project inspections.</td>
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<td><strong>THAILAND:</strong></td>
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<tr>
<td>1. Lack of unified and integrated project MIS system.</td>
<td>1. Inadequate staffing and training.</td>
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<td>2. Poor implementation co-ordination and problem-solving.</td>
<td>2. Inadequate budget and resources.</td>
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4.0 SOUTHEAST ASIAN M/E: THE EVOLUTION OF EX-POST EVALUATION

In the region, where timely implementation of projects continue to be a problem, ex-post evaluation as an aspect of development management is, for obvious reasons, not given the same degree of importance and application as is done for implementation monitoring. However, despite these reservations, ex-post evaluation has been gaining some value since the early eighties—mainly through donor initiatives and persuasions. Some countries have undertaken ex-post evaluation of some large projects and programmes on a select basis. Others have institutionalised the process.

In Indonesia, there is no centralised or institutionalised approach to ex-post evaluation, although several evaluation studies of projects and programs, especially the foreign-funded ones, have been carried out in the past.

Through donor funding, the Indonesian Government carried out ex-post evaluation of their irrigation and transmigration programmes—findings of which helped the government to make some important institutional changes for efficient implementation of future programmes in those sectors.

The Malaysian Government has institutionalised ex-post evaluation through creation of a Socio-Economic Research Unit (SERU) with the following broad objectives (see Part II, Country Report: Malaysia):

- carry out its own evaluation studies;
- co-ordinate and control research undertaken by individuals or local and foreign institutions;
- assist and provide technical advice to government departments and agencies on proper ways to carry out their own research; and
- informing decision-makers and relevant departments and agencies of research findings.

During 1982-86, SERU initiated and conducted 47 studies a year.
In effect, SERU has become more of a manager of evaluation rather than being actual evaluators - mainly guiding and supporting evaluation studies of outside agencies. SERU analyses and collates the evaluation findings of these agencies and submits, as Decision Support Reports (DSR), to managers for necessary decisions and actions.

However, despite institutionalisation of ex-post evaluation through creation of SERU, the entire aspect still receives comparatively low priority and its efforts continue to suffer from some major deficiencies (see Part II, Country Report: Malaysia):-

- that it covers only programmes and issues and not so much projects, thus making it difficult to learn about exact impacts brought about by certain projects;

- that methodically, the unit is yet to develop any standardised indicators measuring impacts of similar projects;

- that there is lack of technical personnel.

Ex-post evaluation in Malaysia which has become a permanent aspect of development management needs further organisational and methodological strengthening.

In Philippines, recent creation of Ex-post Evaluation Division (EED) in NEDA is a definite step towards institutionalisation of ex-post evaluation activities in the country. However, prior to the creation of EED, several ex-post evaluation studies covering different sectors were carried out in the past. Creation of EED suggests government's intention to systematise the entire exercise and most importantly, to link the evaluation findings to the planning process of the country. Despite these noble intentions, EED's evaluation efforts are likely to be constrained by the following factors:-

- inadequate staffing, resource and technical deficiencies of EED;
- uncertainties regarding EED's role: whether the unit is a manager of evaluation or an actual evaluator of projects and programmes;

- lack of any clear-cut policy indications from the government about the type and number of projects to be taken up for evaluation every year;

- difficulties of retrieving data from projects as under the Philippines system, project management gets disbanded almost immediately after the completion of the project.

Currently, the Operations Evaluation Division of the World Bank is involved in both strengthening EED as well as improving the overall ex-post evaluation activity in the Philippines.

In Thailand, unlike Malaysia and the Philippines, there is no centralised evaluation organisation responsible for (except for the education sector) sponsoring and guiding impact evaluation studies in the country. However, project and programme specific evaluation studies were sponsored and supported by foreign donors and evaluation of Poverty Eradication Programme is currently carried out by NESDB. Thamasat University maintain up-to-date data on socio-economic variables.

However, despite funding difficulties, evaluation of educational activities in the country has since been permanently institutionalised (see Part II, Country Report: Thailand).

4.1 Factors Affecting Implementation of Ex-post Evaluation

On a regional basis, the ex-post evaluation initiatives in South-East Asian countries tend to be affected by the following factors:-

- There seems to be, in general, a lack of appreciation and interest of the governments with regard to the value of ex-post evaluation.
Immediate concerns with ongoing implementation continue to shift government's time, energy and resources towards implementation monitoring.

In cases where there are organisations of evaluation (like SERU in Malaysia and NEC in Thailand) lack of clear-cut policy directions or necessary organisational supports continue to affect their efficiency.

Lack of funds in general affect ex-post evaluation. But there are cases where funding of evaluation through external sources created problems as when government's objectives of evaluation tended to have differed significantly with those of the funding agencies minimising their meaningful use. Thus lack of funds as much as external sourcing of funds seemed to have affected growth of evaluation equally.

The long time taken in completing evaluation studies also minimise their management utility, thereby risking the value of such undertakings.

Project managers often shun and do not co-operate with evaluation as they view these exercises as being threatening and non-sensitive to their own problems.

Despite these drawbacks, thanks to donor persistence, ex-post evaluation is gaining increasing acceptance by the governments of the region. Attempts should now be made to encourage the governments to build proper organisation of ex-post evaluation (more as a manager of evaluation) with necessary policy, administrative and budgetary support and at the same time donors may consider assisting these countries in devising ways and means to find out some cost and time-effective strategies for carrying out these studies.
5.0 SOUTH-EAST ASIAN M/E: THE ROLE OF DONOR AGENCIES

Donors played a very important role in initiating, developing and strengthening monitoring and evaluation activities in all of the four countries of the region.

With their programme and project supports in different sectors of these countries donors also built M/E organisations for successful implementation of these programmes. In Indonesia, donors were particularly useful in strengthening the M/E of the irrigation and transmigration sector (see Part II, Country Report: Indonesia for details). Their support in these two sectors have been making significant contributions towards development of an efficient MIS within Directorate-General Water Resources Development (DGWARD) and the Ministry of Transmigration (MOT). These strengthened MIS have enabled these departments to improve both implementation as well as sustainability of their projects.

The Muda and Kemubu projects of Malaysia which incorporate examples of most comprehensive M/E were also initiated and supported by donors (see Part II, Country Report: Malaysia).

In the Philippines, although there were some donor-initiated project-specific M/E arrangements, these initiatives seemed to have either weakened or collapsed with the completion of the projects. However, at present, donor support is sought for institutionalisation of M/E process covering the entire sectors of the country.

In Thailand, while donors have made significant contributions in initiating M/E efforts both at sectoral as well as departmental levels, its contributions in developing an effective M/E within a fairly new department, the Agricultural Land Reform Department, has greatly improved the performance of this department. The other important recipients of donor-supported M/E are Department of Rural Development and the Royal Irrigation Department.
In general, the donor initiatives in M/E in the region have also contributed to the development of the following:-

- a systematic reporting system;
- use of computers in information management;
- training of personnel in M/E methodology;
- use of NGOs in M/E of community participation;
- motivating governments to appreciate the utility of M/E.

However, donor supported M/E also encounters few criticisms and these are:-

- that with the withdrawal of donor inputs in M/E which are at times over-designed, national M/E units weaken due to weaker government support (less budget, transport and personnel);
- that with withdrawal of donor inputs these units also lose the necessary political clouts which are otherwise made available through donor presence;
- that multi-donor presence in a particular project or a programme often experience different M/E approaches causing confusion and putting administrative burdens on the national organisations leading to weakening or collapse of the systems with the withdrawal of donor support;
- that presence of donors also tend to divert government's interest from nationally-funded projects to foreign-aided ones, thus providing a poor organisational environment for nationally-funded projects.

In general, donor initiatives in developing the M/E of the region have had their beneficial effects. However, for sustainability of these systems, care may be taken to design them within the political, administrative and resource conditions of a particular country or an organisation.
With increased pressure on government resources, there is an increasing tendency among the governments of the region to involve more and more the local communities to operate and maintain the project facilities. The idea is to hand over ownership of these facilities to the community (for the community-related projects) to make them pay for their O & M. However, there is also an increasing realisation that the existing government institutions are too inadequate, both resource wise as well as attitude wise, to cope with the aspects of community motivation and participation.

In recent years, Non-government Organisations, commonly known as NGOs, attained special recognition for their -- what is considered as unique--specialist approaches to community development and management. It is as a response to these strengths of NGOs including inadequacies of government institutions to cope with community matters, that several governments in developing countries - which includes the South East-Asian region - are showing increasing interests in involving NGOs as partners in project management.

A brief description of NGO approach to development is presented in the following section mainly to highlight the aspects of the "uniqueness" of their approaches and also to compare the extent of compatibility of these approaches to government systems.

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7 During this study, it was not possible to interview many NGOs in the region. Observations presented in this chapter is based mainly on research of relevant documents.
6.1 **NGO Approach in Development**

NGOs were traditionally known for their relief-related activities—especially at the time of famine, flood, refugee or any other natural or man-made crisis situation. But for the last decade or so they are also getting more and more involved in long term project activities. Claims have been made that their approach to development is distinctively different from the government in the sense:-

- that they are more effective in mobilising and reaching the poor;
- that they promote participatory decision-making ("bottom-up" rather than "top-down" decisions) and assist in strengthening local institutions;
- that they are innovative and flexible and in development pursue a strategy of doing-by-learning;
- that their projects incur small costs with high return.

Some recent evaluations of NGO projects have, however, revealed that not all their projects were able to fulfil the stated goals of either "reaching the poor", or "bottom-up" planning and/or innovativeness.8

In fact, it is argued that in many instances, instead of reaching the poor, they at times reinforce the control of the local elite. Further, "conscientisation" of the under-privileged was not necessarily a participatory bottom-up process, rather it took the form of enlightened top-down directives.

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However, given the right leadership and sophistication in approach and also
given the institutional weaknesses of the government agencies, it is still
believed that NGOs can do a much better job than government when it comes to
dealing with the issues of the poor and the community.

6.2 NGO-Government Partnership Model

It is this stated faith in NGO superiority combined with increased
realisation that community participation is an essential input to the
sustainability of social and rural development projects that NGO involvement
in government-sponsored projects is gaining increased acceptance and
prominence, especially among the donors. Donors see NGOs as "alternative
conduits" for grass-root implementation.

Present study concerns itself with this model of NGO-Government complementary
role where they are contracted to implement certain components of a project—
namely, the community component.

Implementation outcomes of NGO inputs are often qualitative and subjective in
nature and therefore, difficult to monitor and measure. But as the inclusion
of community component is seen as an essential input to the ultimate economic
profitability and sustainability of a project, it may be necessary — as is
done for the other physical and financial components implemented by the
government agencies — to evolve some mechanism for monitoring the
implementation trend of this component as well.

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9 It was not possible to ascertain whether NGOs are at all involved in
nationally-funded projects. NGO involvement does appear to be
predominantly an outcome of donor initiatives and does seem to get
engaged in government projects which receive donor funding.
6.3 **NGO-Government Partnership: Some Methodological and Organisational Difficulties**

A recent study indicates that NGO approaches to community development are variable. When NGOs plan and implement their own funded projects, they seem to continuously vary and change their strategies to suit the local needs. Flexibility combined with adaptability to local conditions is stated to be the cornerstone of their strategy. However, common elements highlighting NGO approach are:

- that the command area of project must be small and manageable;
- that it must be administrative and personnel-intensive;
- that the project activities are difficult to monitor and inspect;
- that they are slow to implement;
- that they are not suitable for complex techniques of project appraisal.

This scenario, for obvious reasons, brings in elements which directly conflict and contradict the project administration system practiced by the government. While NGOs do things small and prolonged and prefer flexibility in planning and implementation, government approach remains to be what is called "bureaucratically mandated blue-print design" which is fixed in time (often short), grandiose in size and rigid in design. How these two diametrically opposite philosophies can mesh themselves into a harmonious whole is difficult to predict.

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10 Korten, David C. "Community Organisation and Rural Development: A Learning Process Approach" in Development Administration Review, September/October, 1980. Korten studied five NGO projects in five Asian countries and concluded that despite some failure, it is the "Learning Process Approach" of NGOs which resulted in the overall success of their projects.
Moreover, strength of NGO approach lies not so much in its implementation strategy - which is important, no doubt - but more so, the unique way they identify and plan their projects. They spend a lot of time in identifying the target groups, assess their felt-needs and adopt appropriate planning strategy for meeting these needs. Whereas under this new NGO-Government model, it is not the NGOs but the government who does the identification and planning. NGOs are brought in along with other implementing agencies only to implement a particular aspect of the project. It is therefore, not unreasonable to assume that non-involvement of NGOs at the planning stage of a project and the short time and rigid structure within which they are made to operate may by itself constrain their abilities to implement the difficult aspects of community awareness and community participation.

6.4 Involvement of NGOs in South-East Asian Region and their M/E Practices

Except for Malaysia, all the other countries have involved NGOs - thanks to donor persuasion - in monitoring and management of the community component of some large social, rural or irrigation development projects. Along with the infrastructural implementation by different government agencies, NGOs are brought in to implement, monitor and manage the aspects of community motivation and participation. Very rarely, the NGOs would be involved at planning stage.11

In terms of NGO approach in M/E, a recent study presents the following as the main features:12

11 However, the Philippines Government has clearly committed itself to involve the NGOs right at the planning stage including engaging NGOs exclusively for planning and implementing poverty-related programmes.

that data gathering is more interactive (field visits, workshops, informal interactions with beneficiaries) than passive;
- that, corollary to the above, beneficiaries are involved in the monitoring process;
- that the command area of project must be small and manageable;
- that it must be administrative and personnel-intensive;
- that the project activities are difficult to monitor and inspect;
- that they are slow to implement;
- that they are not suitable for complex techniques of project appraisal.

However, in the absence of any conclusive research on NGOs, it is too early to assess the successes or failures of their M/E approaches. It is equally difficult to judge the quality of their M/E through their reporting system.

The same study quoted above argues that, "sometimes an agency (NGO) lacks the language, conceptual skills or time which will allow its staff to write a report which effectively reflects their project work", whereas, "some agencies understand what the donor (administering/funding organisation) want to hear, and can translate that into a compelling project report which belies the reality in the field. Possibly, the best way to find out the actual situation, is to have independent evaluations of NGO activities from time to time.

In terms of involvement of NGOs in evaluation, the same study suggests, using a limited sample of 13 NGOs, that about 15% always evaluate, 30% usually evaluate, 40% evaluate sometimes and 15% say they never evaluate. In general, however, NGOs find it difficult to justify evaluation due to paucity of resources as well as qualified manpower. However, when the NGOs do evaluate projects their methodologies vary depending on the nature of stakeholders' information and also on resources available.

These observations on NGO M/E including their difficulties of working within a government system highlight the following facts:
that further research is needed to correctly assess the NGO approach in M/E;

that data gathered by NGOs at community level are rarely stored and documented for future use;

that as of now NGO approach in M/E relied heavily on its interactive data gathering and data reporting methodology which is responded to by immediate management feedback at field level. Whereas, if NGOs are to work within the government system more emphasis should be given on quantitative analysis including written (more than oral) presentation of data for management decisions;

that to encourage community participation in government projects, NGOs need to be involved at the project formulation and planning stage so that projects are designed to respond to the felt need of the community.

The NGO involvement in M/E of government projects is a new development which for obvious reasons has the risk of encountering some methodological as well as philosophical contradictions. While NGOs themselves need to refine further their M/E methodology - pertaining to data analysis and presentation - the governments at the same time require to adjust their system to optimise the inputs from NGOs.

As NGO-government partnership is a new dimension in development management, further experiments and only continuous research can pave the way for a more viable and compatible model.
7.0 SOUTH-EAST ASIAN M/E; NEW DIRECTIONS AND KEY ISSUES

The current M/E scenario of the South East Asian governments suggests that there is an increasing appreciation and adoption of monitoring and evaluation in an institutionalised form. The present study also sensed some weaknesses, both at the management as well as at organisational level needing corrections. Following are some of the emerging new initiatives concerning M/E:-

7.1 New Directions

- **Decentralisation of M/E:** With increasing decentralisation of project planning and implementation activities at the provincial and district levels, governments of the region are making special efforts to strengthen the planning and M/E capabilities at the provincial and local levels. A greater amount of expertise, resources and technical support is planned to be directed towards development and institutionalisation of these new initiatives.

- **Sustainability Monitoring:** Although implementation of projects occupy most government's time and energies, increasing concern with post-project sustainability is also prompting them to find ways and means to develop and structure SM activities within their existing project management system.

- **Ex-Post Evaluation:** Although this is the least attended to aspect of M/E, some countries of the region are in the process of initiating and/or strengthening ex-post evaluation capabilities to their overall development management systems. Problems with funding and time taken to undertake ex-post evaluation seem to constrain further strengthening of these activities.

- **Performance Evaluation of Public Sector Enterprises and Organisations:** Public enterprises and government departments play important roles in the overall development of these countries. Malaysia is in the process of developing a system of evaluating performances of public-sector
enterprises on an ongoing basis. In Thailand, Performance Audit Division of the Auditor-General's Office is in the process of embarking upon similar activities. The Bureau of Administrative Reform of BAPPENAS in Indonesia is attempting to establish a system of monitoring management aspects of government departments and projects. In the Philippines, the newly created Project Facilitation Committee indicated need for similar initiatives in their own country. While the Malaysian initiatives is well underway, the efforts in other countries are still at experimental stage.

**Computer Application in M/E:** Information revolution in development administration has encouraged governments of the region to apply increasingly computer technology in data processing and report presentation. While most of the central government agencies of the region are well endowed with computer technology, the provincial and district level organisations - the main data source - still lack equipment and training.

**Improving Use and Further Strengthening of M/E:** Decades of M/E experience have enabled the governments to identify some of the weaknesses of the current systems. Some governments are already planning/initiating actions to simplify their M/E approaches to ensure better and effective utilisation. Efforts are also made to link the M/E to the planning process of the government. Steps are also envisaged to strengthen current M/E institutions through better training, staffing and through enhanced budget allocations.

**Involvement of NGOs for Community Management and M/E:** Except Malaysia, all the other countries are putting greater reliance on NGOs for community management. Some administrative and institutional arrangements may have to be devised to link the government M/E with that of the NGO M/E.

Overall concern of the governments of the region is that M/E should be cost-effective and that results of M/E should be usable for improving both ongoing implementation as well as future planning of projects.
7.2 **Key Issues**

The key issues confronting the South-East Asian regional M/E may be summarised as follows:-

- In countries where basic M/E structures are in place further strengthening of the systems are needed in the way of improved staffing, staff training and institutionalisation of management feedback to M/E outputs. These M/E units also require necessary political clout for ensuring timely receipt of reports and necessary problem-solving.

- M/E also needs to be made mandatory for all projects (national as well as foreign-aided) and equal management backup should be given to M/E organisations of nationally funded projects as is done for foreign-aided ones.

- The M/E system established during implementation needs to be continued during operation and management for ensuring management of sustainability. Necessary budget support including retraining of M/E staff for sustainability monitoring is necessary.

- Lack of proper stakeholder analysis and information requirements of M/E have encouraged proliferation of too many reports. There is, therefore, an urgent need to systematically analyse the information needs of different stakeholders and develop a unified and simplified system of information so that project management is not burdened with information overload and duplication of reporting. At the same time the stakeholders themselves may need to make a careful study of their demands of information - a lot of which, at present is demanded but not so much used - and simplify and economise their requirements of information.

- PCR as an instrument of maintaining end-project-status reports needs to be encouraged in several countries, for this information will provide
important input for future design of projects including providing post-project base data for impact evaluation purposes.

- Different donors demand different information adopting different M/E methodologies, thus creating confusion and strain on governments. There is therefore an urgent need to standardise donor M/E requirements matching them as much as possible with government information requirements.

- Sustainability Monitoring, an aspect of M/E is yet to be developed fully in any of these countries. However, while initiating SM activities in these countries, efforts may be made to involve the beneficiaries (in community-based projects) in the SM process of the government. NGOs or some grass-root social organisations may be engaged to assist in this.

- Some country experience has shown that universities are a good data source both for planning as well as for monitoring purposes. These universities both at national as well as at regional levels may be supported to develop data banks on project activities including maintaining information on sectoral issues. Maintenance of such data banks can substantially economise the cost of collecting information for both sustainability monitoring as well as for impact evaluation.

- Widespread introduction of computers - while producing some positive results - has also created problems in the way of poor data inputting (due to lack of computer training at data source), inadequate quality control of data (resulting from infrequent inspection) and isolation of M/E staff from field conditions. A balanced approach is needed between interactive methods of data gathering with those of passive ones.

Further discussion on these key issues along with a recommended approach to organisation of M/E in the region is presented in the following chapter.
8.0 SOUTH-EAST ASIAN M/E: A RECOMMENDED APPROACH TO ORGANISATIONAL AND METHODOLOGICAL ISSUES

Further to conceptual model of M/E presented in Chapter I, Section 1.2 furnished below is a description of issues and activities involving 4-stage M/E and a recommended approach to organisational and management aspects of M/E relevant to the current development management system currently in practice in the South-East Asian Region.

8.1 Input/Output Process Monitoring (IOPM): Key Issues and Organisation of IOPM

Key Issues:

The key issues involved in IOPM include, inter alia:

- financial disbursements;
- progress of physical construction and delivery of inputs, training etc. in relation to a pre-determined critical path;
- quality control;
- staff placements.

IOPM Indicators: Information Requirements and Stakeholders

Operationalisation of an IOPM system must precede defining the monitoring indicators relevant to different components of a project. These indicators, fixed by a time frame would form the basis of its information requirements. The type of indicators and the frequency of reporting at different levels of a government will depend on the way the government structures its overall development administration system. The extent of IOPM information is greatest at the project management level and that required at the central level will be less. Nevertheless the volume and type of information required at the central level will vary from country to country. The greater the government control over the financial and administrative aspects of projects, the larger the information required at the central level. Governments that exercise centralised control over the release of funds, placement of staff and procurement of equipment for its projects would, for obvious reasons,
require at the central level substantial progress data on physical as well as financial aspects.\textsuperscript{13} In cases where provincial and district entities are authorised to make major decisions on physical aspects of a project, the centre is likely to deal with statements on financial disbursements and aggregate progress data only. However, in all situations, information required at the central level would be of aggregate in nature and would flow at well spaced intervals.

In any case, at the project level, volume of information and its availability will always be far greater and sometimes would be required on a day-to-day basis. Furthermore, projects with foreign assistance would require a whole range of additional information relevant to donor participation.

The stakeholders of IOPM information would be the project management, national planning office, the budget bureau/ministry of finance, aid-coordinating entities of the national governments, the sponsoring ministries of the projects, the Prime Minister's Office, the central M/E ministry or department (if there is one), the executing agencies and the donors. Each of these stakeholders are likely to demand project information varying in volume, type and periodicity. However, it is the project managers who would be responsible for generating all this information.

\textit{IOPM Methodology:}

Methodological features of IOPM include:-

\textsuperscript{13} For example, in the South-East Asian region, as Indonesia and the Philippines follow a centralised decision-making approach, central government agencies need to assume a greater role in M/E requiring more detailed information from projects. The establishment of several Special Teams (Tim Khusus) at Public Works Department and a separate monitoring unit within BAPPENAS in Indonesia and similarly, establishment of Project Facilitation Committee in the Philippines underscores concentration of decision-making at central level needing constant facilitation.
- data collection, collation, analysis and dissemination: design reporting formats including any other instruments used;
- field inspections: frequency and follow-up;
- problem-solving: management meetings, workshops/seminars, informal contacts etc.

Data Collection, Collation, Analysis and Dissemination:

Methods of data collection and progress monitoring of projects come under two broad methodologies:

- Graphical and
- Non-Graphical

Graphical techniques include the use of bar-charts, work-breakdown structures, "milestones" and CPM/PERT.14 These instruments are useful for progress monitoring at the project level although, in some cases, where central entities take greater interest in progress monitoring, the use of "milestone" methods can be most effective.

The Non-Graphical methods are reports and returns. An important aspect of this method is to determine, in accordance with a country's overall development management structure, the frequency of submission of reports to different management levels. As well, the design of appropriate reporting formats suited to the information needs of different stakeholders must be decided. Reporting formats should be as simple but as comprehensive as possible. This may also help in reduction of transmission of too many reports.15 However, the frequency and volume of reporting is expected to be always greater at the project level than at the central level. Central level reporting may refer to policy matters, financial disbursements and matters of inter-ministerial co-ordination.

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14 Although CPM/PERT is a useful tool for project management, its somewhat deterministic nature and complexities of use may often discourage the project managers to adopt this tool. Among the graphic methods, Bar Charts are more commonly used tools.

15 Malaysia through introduction of SETIA system has been able to develop a comprehensive and integrated reporting system.
The progress reporting required by donors is often achieved through the donor-appointed consultants using their own formats. These reports contain progress data representing only the donor share of the inputs in the project. This, at times constrain the donors to get information on full project activities - particularly information relating to complementing government inputs.16

**Field Inspections:**

Field inspections are important tools for progress monitoring as they help managers to compare actual progress made with reported progress and also sensitise them to the problems faced at field level. This exercise ensures, on the one hand, accuracy in reporting and on the other, a better appreciation of the problems of implementation. Appropriate responses to the latter improves not only the quality of the ongoing implementation of a project but also the design of future projects. Methodological aspects of field inspection include:-

- regularity of field inspections;
- the predetermination of fixed indicators as progress checks.

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16 In Bangladesh, the lack of institutional arrangements for information sharing, particularly government part of the activities, often frustrate donor efforts to achieve co-ordinated implementation efficiency. The Implementation Monitoring and Evaluation Division, the central monitoring organisation of the government has not been given any formal access to the donors.
Field inspections indicated at the project level are expected to occur much more frequently and extensively than those initiated from the central office. The latter are more likely to be done on a select basis, i.e., prioritising projects as "core", "nationally important" etc. Information thus gathered from the field need to be acted upon quickly, otherwise the benefit of inspection gets negated putting unnecessary burdens on the project officials.17

**Problem-Solving:**

An important aspect of IOPM is to include problem-solving initiatives in the overall information-gathering exercise of M/E. Problem-solving is crucial to any monitoring exercise.

A monitoring activity that limits its role to information gathering and reporting only often becomes a "passive onlooker" and produces little enthusiasm among the project managers to generate adequate and accurate data. It is important therefore, that those responsible for monitoring both at the project level and the central level, make adequate arrangements for creating a problem-solving environment (PSE) within the system.18 Depending on the nature and complexities of a project, a PSE can be initiated by:-

17 Although Indonesia has a system of project inspections through Ministry Inspectorates, main emphasis is on financial aspects of projects and does very little in the way of problem-solving and implementation facilitation. The Malaysian M/E system incorporates regular field inspections as a tool of monitoring - but often lacks consistent practice. Field inspections in both Thailand and the Philippines are difficult to carry out due to budgetary constraints.

18 In Malaysia this has been achieved through creation of "Action Committees" at different levels of the government. In the Philippines, similar initiatives have been undertaken through creation of Project Facilitation Committee at national level. Similar initiatives are also necessary at regional and local levels of that country. In other countries Steering Committees formed for foreign-aided projects need to be institutionalised for perpetual use.
creating, through appropriate representations, implementation co-
ordination and management committees (ICMC) at project, provincial and
central levels;

- holding regular management meetings;

- prompt circulation of management decisions with regular follow-ups.

Identification and initiation of a problem-solving environment is
particularly important for projects which involve multi-agency participation.

For donor supported projects, a problem-solving environment is initiated (at
project level) through donor appointed consultants. At the central level,
donor-government review committees act as relevant forums for this purpose.
However, in addition to the formal structures of the governments, some
donors/consultants use the informal fabric of a society as a more effective
avenue for negotiating problems.

Therefore, for donors, cultural knowledge of a society and its socio-
political dynamics is an important imperative in problem-solving initiatives.

Organisational Aspects of IOPM:

Organisationally, monitoring units concerned with IOPM are generally
structured in the following manner:-

At Project Level:

- A specialised unit within a large project.

- Specialised units within the executing agencies/ministries who are
administratively responsible for initiating projects; often called
Planning/Monitoring Cells.

- Expatriate consulting groups for monitoring at project level.
At National Level:

A separate national and/or regional institution - a separate M/E Department/Ministry.

- In-country donor missions for monitoring donor-funded projects.

Organisational/management aspects of IOPM entities are likely to address the following issues:-

- **Location and Authority.** At the project level, depending on the size and nature of a project, a separate unit and/or a nodal person would be made responsible for IOPM. A decision must be made about the way M/E units function, for example, do they function independently and report directly to the project manager/director etc. At the central level, the M/E activities are organised within a separate department/ministry and, at times, function as a part of the planning/finance ministry. However, M/E units - be at project or at regional/national level must be provided with the necessary clout for assuring timely and quality reporting and management feedback.19

- **Staffing.** At the project level, staffing involves full-time/part-time type personnel, while at central level staffing comes from the general civil service pool or from among independent technocrats.

- **Budget.** The budget concerns of M/E units relate to the availability of resources for data collection, field inspection, data analysis and dissemination.

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19 Success of the Malaysian IOPM system owes a great deal to the political clout with which M/E organisations have been vested with.
Data Analysis Arrangements. Levels of sophistication of data analysis; for example, computerised or manual.

Inter-organisational Linkages. This includes type and extent of linkages between local monitoring organisation (LMO) and the central monitoring organisation (CMO); linkages between LMOs and other participating line departments (if any) at the field level; linkages between CMO and the line ministries/departments at the central level.

The adequacy with which methodological and organisational aspects of IOPM are addressed is crucial to the timely and quality implementation of projects. Weaknesses in IOPM have often led to substantial shortfalls in the achievement of implementation targets.

8.2 Project Completion Report (PCR)

In this model PCR has been conceptualised as an end-project-status report. This is an important, but often a neglected aspect of M/E of projects particularly by governments. PCRs need to be generated on completion of initial facility creations and input deliveries to the projects. Some governments make provisions for PC reporting, but do not pursue these seriously. Donors seem to pursue such reports more assiduously.

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20 Except Malaysia, most of the M/E organisations of the region lack vertical and horizontal linkages between national and field level M/E and also among the M/E units of other departments leading to inefficient operation of M/E system as a whole.

21 A recent South Asian survey revealed that on an average, inadequate IOPM, inter alia, resulted in 25%-30% shortfalls in attainment of the annual project implementation targets.

22 But donor PCRs tend to be quite elaborate and aim to capture data beyond physical aspects of a project. The governments, therefore, find the donor-PCR approach to be time-consuming and costly and do not see much management value in it.
PCRs should contain information relating to the history of the entire project, describing:

- the objectives of the project;

- the implementation experience comparing planned with actual, including budgetary and organisational as well as any time and cost overrun and associated causes;

- the contracting arrangements, procurement issues;

- the facilities created, the inputs delivered and the

- implementation difficulties which were faced.

The PCRs not only provide valuable information that can be used for improving the design and management of future projects, but also offer valuable documentation for carrying out impact evaluation (IE) in later years. As the IEs are carried out 4 or 5 years after the completion of a project, a well documented PCR would indeed make available a range of updated post-project base data pertaining to input/output aspects of a project. Experience suggests that lack or unavailability of these data often make IE studies extremely lengthy and costly, if not difficult.23

23 Current experience in the region suggests that IE studies often involved a fresh start in data collection making the entire exercise too costly and too prolonged to be of any management use. Whereas a system of maintaining end-project data will sufficiently cut down the cost and time in data collection.
8.3 Sustainability Monitoring (SM)

Sustainability Monitoring has been referred to in this study as activities and use of some management tools and techniques necessary for successful and viable operation and maintenance projects beyond its immediate implementation. This phase of M/E comes after IOPM and PCR. Unlike the Input/Output Process Monitoring which mainly relates to administrative and financial matters, management of sustainability involves a range of issues often complex and varied.

Key Issues:

The issues of concern at the output/effect or sustainability stage include: - the continued operation and maintenance of facilities created; - the generation of projected income and maintenance of increased productivity level; - ensuring community participation (in the case of community-based projects, rural or urban); - guaranteeing the projected equitability in distribution of income and benefits among the beneficiaries (in the case of community-based projects); - monitoring of negative effects like environmental matters.

Multi-dimensional Aspects of SM and Information Requirements:

The ranges of issues outlined above indicate, for obvious reasons, more than one dimension involving SM and their methodological approaches will also vary from project to project and indeed from sector to sector. However, on a broader scale, these multi-dimensional aspects of SM would seem to cover:

24 SM is seen here more as a post-project and ongoing management tool necessary for successful operation, maintenance and profitability of a project, rather than some form of an ex-post evaluation exercise.

25 Traditional approaches of SM have tended to deal mainly with the Administrative and Economic Dimensions - far more for post-project evaluation purposes and not much for the purpose of ongoing management.
- Administrative Dimension
- Economic Dimension
- Community Dimension, (in case of community-based projects)
- Distributive Dimension, (in case of community-based projects)
- Institutional Dimension and
- Environmental Dimension

**The Administrative Dimension** of SM would involve say, in the case of an agricultural project, continuous monitoring and gathering of information on:-

- the adequacy and timeliness of the supply of inputs and credits;
- credit and per capita accessibility to the credit supply;
- the supervision of disbursement of credit (extension activities); and
- the maintenance and supervision of project facilities including budget and staff available.

The scope and magnitude of issues involved in Administrative Dimension of SM, will vary with the nature of a project. For example, a community-based rural development project would entail the largest range of administrative activities while an industrial project might entail the least.

**The Economic Dimension** of SM will involve gathering of information on:-

- cost of production
- per unit yield/productivity
- net return (economic rate of return, ERR)
- price trends
- market demands
- income changes
- the issues of inter-sectoral linkages etc.

**The Community Dimension** of SM is a particularly important feature of the sustainability of agricultural, rural and social development projects. Experience indicates that the lack or inadequacy of community inputs leads to the premature demise of many projects in developing countries. It is,
therefore, crucial that this element of a project is monitored during the life of the project. Key monitoring issues regarding community participation would include the continuous gathering of information on:-

- the degree to which the community is aware of the project facilities;
- the extent to which the community has access to project facilities;
- the proportion of community that received a particular message, service or facility;
- the extent to which the message is understood by the beneficiaries;
- the extent to which the community considers service or facilities beneficial;
- the proportion of the community who make continued use of the project facilities;
- the range of reasons why potential community beneficiaries did not use, or discontinued the use of, project services.

These information aspects of SM may be termed as Community Contact Monitoring (CCM) indicators or, as others prefer, Beneficiary Contact Monitoring (BCM) Indicators.

**Distributive Dimension** of SM may include information on changes in household incomes, quality of lifestyle and accrual of other benefits and services often caused by planned redistribution of assets, improved access to and enhanced "per capita entitlement" to socio-economic benefits. Like the Community Dimension, the Distributive Dimension is also a crucial element of project sustainability particularly for community-based projects. Lack of this dimension is likely to discourage community participation and thus jeopardise project sustainability. The distributive element of project sustainability includes gathering information on:-
The Institutional Dimension of SM refers to institutional and organisational structures, vital to the long-term sustainability of projects, especially agricultural, rural and social development projects. The institutional aspects of projects cover institutions developed both at government as well as at community level. Sustainability monitoring of institutions includes gathering of information, on a regular basis, on the following:

- at government level, staffing requirements vis-a-vis actual staff, desirable level of staff competence vis-a-vis actual competence and the required budget to maintain the level of desired efficiency vis-a-vis the actual situation.

- at community level, the trends in the development of community organisation: their level of competence and their ability to absorb and operationalise new technology, ideas etc. (i.e. the socio-cultural compatibility) and the level of technical, administrative and other support they are receiving to sustain and operationalise project activities;

- the evolving formal and durable linkages, if any, between government and community organisations.

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The importance of the institutional dimension of SM was revealed in a recent World Bank evaluation of 57 completed agricultural and rural development projects. Those projects with strong community institutions which operated within the cultural contexts of the particular society meshed with the necessary technological and resource inputs, tended to have produced higher economic rate of return than those which lacked these attributes.27

Environmental Dimension of SM is an important issue but its features often are not visible in the short term. However, if not monitored early enough, one may not be able to detect some features whose continued occurrences could reduce the merit of the project benefit.

Say, in case of an irrigation dam there is always the possibility of an increase in water-borne diseases, submersion of large forestry areas, risk of siltation in reservoirs and negative climatic effects in the neighboring area, to name some. Likewise, in industrial projects, one may have to encounter environmental issues as atmospheric pollution, and waste disposal.

Therefore it is necessary that projects with environmental ramifications be systematically monitored to detect the appearance of possible negative effects so that prompt action can be taken to correct the imbalances. Depending on the nature of the project, the information requirements of environmental monitoring can be decided right at the beginning of the project.

Stakeholders of SM:

From the management point of view, the principal stakeholders of Sm should be the field level organisations of the projects. However, at the national level, the line ministries, the national planning body and the ministry of finance occasionally undertake sustainability studies on a select basis.

From the operational point of view, the major stakeholders of SM with all its dimensions will always be the project management. However, it may be necessary for the government at the central level, to generate occasional SM studies to assess the direction in which certain investment is taking and to provide necessary support for correcting any imbalances. The results of such studies will also help to improve the design of similar projects in future.28

In some countries NGOs are involved in sustainability management. Their SM involvement mainly relate to community, institutional (beneficiary) and distributive dimensions. External research institutions also get involved in SM studies when they are contracted to do so.

Donors are rarely involved in SM. However, in projects where donors stay long enough to support the operation and maintenance of a project, it is likely that they may be involved with SM covering all its dimensions.29

Due to the interdependent nature of project planning and development, there may be a need for sharing the SM information among all the parties: project management, central level of the government, the donors and NGOs. This information feed-back system among parties should also be complemented by problem-solving initiatives.

28 In Indonesia the World Bank-supported sustainability study of the government's transmigration programmes has revealed several institutional and management weaknesses thus enabling the government to initiate important restructuring and re-orientation of the entire transmigration program.

29 For example, Pichit Land Reform Project in Thailand, an Australian government-funded project which included funding of operation and maintenance including designing and operation of ongoing activities has been able to localise and institutionalise a successful SM system covering all its dimensions.
SM Methodology:

A variety of methodologies need to be applied to cater for the complex and multi-dimensional requirements of sustainability monitoring. Further, a set of methodologies chosen for a particular project may not always be replicable to another. For example, an industrial project's SM may only concern the aspects of Administrative Dimensions and measurement of Economic Rate of Return, whereas, SM methodology for an integrated rural development project would involve use of an array of tools and techniques to cover the multi-dimensional aspects of information requirements. Since rural, agricultural and social development projects are complex in nature, their sustainability management demands rigorous attention. The SM methodology for these projects is likely to involve the following activities:-

- Use of IOPM techniques for addressing the issues of the administrative dimension and be carried out on a regular basis at project management level.

- Regular management meetings and supervisory visits to measure the extent and quality of extension/motivation works, farmer/beneficiary contacts, adoption rates etc. Monitoring the aspects of community components are better achieved by involving the beneficiaries in the monitoring process.

- From the central level, special case studies, sample surveys etc. may be generated - if possible, on a yearly basis - to measure the entire dimension of sustainability. For these studies to be quick and cost-effective, the recently developed technique of Rapid Rural Appraisal (RRA) may be applied.

30 Currently, most of the SM efforts of rural projects in the region are restricted to operation and maintenance of physical facilities only.

The importance of sustainability monitoring for successful and productive continuation of projects - in its production as well as distributive sense - is well recognised. Regular SM activities at the project level complemented by occasional and limited case studies (mainly quasi-experimental) conducted by external agencies (outside project, sometime central agencies), do help in identifying, along with day-to-day management issues, the larger issues of involving policy and planning matters.

In sum, the methodological approaches of SM - varying in techniques of data collection and analysis - have to basically compare the discrepancies between planned O & M support and the support actually given; between planned support and the support actually required and indeed, between planned outcomes and the actual trends.

Organisational Aspects of SM:

The organisational aspects of sustainability monitoring involve the same issues as in any M/E initiatives and these are:

- staffing
- budget
- training in M/E

As the bulk of SM activities are to take place at the project level, sustainability of projects depend heavily in the way the organisation of SM is structured at that level. M/E staff must be appropriately trained in the area of data gathering, data analysis and the techniques of data presentation.32

32 In addition to regular SM at project level, the Rural Development Department of Government of India has instituted a system of centrally sponsored "yearly concurrent evaluation" of their RD projects - an arrangement which is seen to be producing a good management/policy feedback loop to successful O & M of projects. (Source: Khan, op cit.)
At the central level, a data bank may be created collating information on project level SM studies for necessary policy planning. Synthesis of SM data on several projects may also indicate problems common to all projects, thus needing general policy changes at the central level.33

Analysis of monitoring experience with rural development projects in Malaysia had indicated that current procedures involved in land acquisition delays projects. The government has since considered initiating an in-depth study to evolve measures simplifying land acquisition in the country. Similarly, synthesis of SM experience of rural projects in Thailand suggested that projects with low-level technology attracts better participation from the community thus ensuring their sustainability. Similar organisational arrangements may also be made to collate and store data at the regional level.

8.4 Impact Evaluation (IE)

In the context of the conceptual framework of M/E presented in Chapter I, Section 1.2, Impact Evaluation (IE) concerns the effect/impact stage of a project which in terms of time, takes place after four or five years of completion of a project.

Like Sustainability Monitoring, IE is also a form of ex-post evaluation. But unlike SM, Impact Evaluation attempts to identify all the effects of a project - both intended as well as unintended. It not only measures the effects of a project - as in SM - but also attempts to validate or invalidate the logic of a project, i.e. assumptions relating to input to output, output to effects and effect to impact.

33 Currently in S-E Asian region organisations of SM are either non-existent and in cases where they exist, they tend to be poorly staffed and inadequately trained. However, in the case of MADA and KADA in Malaysia, SM organisations are adequately staffed and trained. In the case of Indonesia, the Directorate-General of Water Resources Development (DGWRD) through the 5-level M/E has attempted to accommodate organisationally and methodologically comprehensive aspects of SM. However, DGWRD's SM initiatives do not cover the Distributive Dimension as described in this model.
Key Issues:

An IE study is concerned with four major aims:34

- to determine whether stated goals have been achieved;

- to determine whether the identified effects can be attributed to the program, i.e. rule out rival hypothesis for effects;

- to determine the conditions under which project is most effective;

- to identify any unanticipated consequences or side effects of the program.

IE studies undertaken several years after the implementation of a project, require information regarding the situation existing at the beginning of the project and of the experiences encountered during implementation and operation of the project. Thus, to conduct an IE study, it may be necessary to access the initial project documents and the data generated during implementation and the operation of the project. However, if a system that maintains a good PCR, and also keeps records of consolidated information gathered through SM studies, has the advantage of offering valuable data base for a comprehensive IE study considerably economising substantially both the cost as well as the time involved.35


35 Survey of the South-East Asian region suggested that, as in some countries the project management get disbanded after initial completion of a project, it is often difficult to find information on project profile, particularly its end-project status including difficulties of finding information during O & M phase. These information gaps make IE a difficult exercise, if not a lengthy and an expensive one.
Information Requirements and Stakeholders of IE:

Since IE provides information on program and policy issues, its stakeholders include national planners, sectoral manager, donors and the research institutions, implying that IE studies must be able to cater to different audiences. Therefore it is crucial that prior to designing an IE system one determines:

- **What should be measured**: it is important to base the IE study on the project design so that there is general agreement among different actors regarding what should be measured.

- **For whom it should be measured**: identification of the appropriate stakeholder of IE is crucial to ensure that evaluation reflects user's perceptions and thus prompts necessary actions.

- **Why it should be measured**: it is necessary to know the use that will be made of the information collected to determine the necessary sensitivity of the measures and the degree of accuracy needed.

- **How should it be measured**: there should be agreement between the stakeholders and the evaluator about the indicators of change so that a proposed measure really indicates change in the desired direction.

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36 Recent experience of the Philippines suggest that a lot of the IE studies - sponsored by donors - encountered difficulties due to government-donor disagreements in methodology adopted and findings presented. Such disagreements significantly reduced any meaningful use of evaluation studies. (See Part II, Country Report: Philippines.)

How should it be collected: it is necessary to determine the design of the evaluation system for assuring credibility and mutual confidence in data collection.

When and How should it be presented: it is necessary to respond to information needs when they arise. While timeliness is important, its style of presentation of findings is equally vital. A short resume providing the specific information has a high chance of being used.

As IE is seen here as an exercise to deal with policy and planning issues—withstanding the need for occasional extensive studies— it can be made both methodologically manageable and organisationally affordable.

**IE Methodology**

Traditionally, the following methodologies are used for IE:

- case study with one measurement and no control group
- case study with two measurements and no control group
- time series design
- case study with one measurement and a control group
- case study with several measurements and a control group: quasi-experimental and experimental design.

Every IE study must provide careful consideration of data validity and measurement reliability. Having satisfied validity and reliability concerns, the choice of an IE methodology will depend on:

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- information needs of stakeholders
- use that will be made of the evaluation results
- time and money that are available for evaluation

Depending upon the nature of a project, measurement techniques of IE— which are the same as those for project appraisals—may vary from project to project.\(^40\)

These different measurement methodologies are based on more or less the same concepts and as Lal, Deepak has shown... "any substantive difference among the alternative procedures are in large part dependent upon differing assumptions."\(^41\)

Choice of a certain methodology is also substantially dependent upon field conditions which at times puts severe limitations on the kinds of studies that can be successfully carried to completion.

**Organisational Aspects of IE**

Since Impact Evaluation in this paper is seen as a tool to examine policy and macro issues, the sponsors of IE, in principle, are likely to be located at the central and/or sectoral levels of the government. As IE involves considerable costs, time and expertise and as they are likely to be undertaken only occasionally, IE units within the government are seen more as managers/sponsors of evaluation rather than being actual evaluators. The actual evaluation may be done through highly qualified external agencies.\(^42\)


\(^42\) Currently SERU is the central IE organisation in Malaysia. But SERU's staff lacks training in evaluation management. The National Education Commission is the IE organisation for education in Thailand mainly acting as manager of evaluation.
In this context the IE units within the government may be structured with a small number of people:-

- who are highly trained in evaluation management
- who are given a sufficient budget for sponsoring IE studies
- whose units are institutionally linked to policy-making and project planning process of the country.

Personnel involved in IE units should be well aware of the government's evaluation needs and be able to, within the framework of some set criteria, prioritise and select projects for IE studies. They should also be trained in the techniques of developing comprehensive Terms of Reference for the evaluation consultants and be equipped with enough technical knowledge on evaluation methodology. In this way they will be able to:-

- judge the technical rigour of a proposed evaluation study and
- assure the objectivity and credibility of the results.

Similar structural arrangements may also be made by the donor evaluation units. For achieving some commonality of purposes between the government and the donors, their evaluation units may initiate some sort of linkage with the government evaluation units. Donors may also assist the government in strengthening their IE units. However, in both cases, care should be taken to see that these units operate as staff arms of the governments/donors and enjoy sufficient autonomy for assuring objectivity and truthful utility of the studies they initiate.

8.5 **Concluding Remarks: Structuring Comprehensive M/E to Government Systems**

This study, which conceptualised M/E at four levels - IOPM, PCR, SM and IE finds that most governments of the South East Asian region have been able to recognise the importance of IOPM much more than any other aspects of M/E. The other M/E activities - PCR, SM and IE - failed to receive similar consideration due to the fact:-
that these are considered not to be of any immediate use (although SM is gaining increasing recognition, lately);
that these are difficult to organise and are expensive;
that techniques and tools necessary for operationalising a comprehensive M/E are not always known;
that methodological varieties proposed and introduced by different donors and academics create confusion and strain on the government systems.

However, concern with cost-recovery, management of sustained growth and continued enhancement of community welfare have been, of late, prompting these governments to search for such tools and techniques which can effectively resolve these concerns. Evolution of these new initiatives may, therefore, need to consider:-

- that these are cost-effective;
- that these can be installed, as far as possible, within the existing bureaucratic framework of the government;
- that these new arrangements are made methodologically simple, yet sound and that these are affordable within the intellectual and financial capacities of the governments.

With careful scrutiny and minor adjustments to current M/E arrangements the M/E model presented in this chapter may not be too difficult to initiate and operationalise. For example, the SM system can be installed by continuing the IOPM organisation created during the implementation phase. However, continuation of IOPM organisation into SM would need reorientation and retraining making it aware of the issues, tools and techniques needed to operationalise such systems. Similarly PCRs should be made a mandatory aspect of project management making the project managers generate these reports as routine end-project status reports.

IE which is given low priority due to cost and time involved can be made considerably attractive provided the governments are able to:-
- institutionalise efficient SM system generating project data over a long period of time;
- store data at sectoral or central level, thus reducing the cost and time in data collection and finally;
- limiting the scope of IE investigations.

However, it may not be possible to introduce a comprehensive M&E system (IOPM, SM, PCR and IE) throughout the government at the same time. Attempts should be made to develop and test the system on a pilot basis taking one ministry or a line department as a test case. Gradual initiation along with sufficient experimentations and refinements may pave the way for a comprehensive model which then with some readjustments can be developed for replication.43

However as the organisational and methodological requirements of comprehensive M&E would vary from country, their structuring within their development management systems would require careful considerations of their own political, social and bureaucratic environment. (See Table 4 for a Schematic View of Comprehensive M/E: Information Requirements, Organisation and Methodology.

43 The SETIA system of Malaysia, the integrated information system for implementation monitoring was developed by the University of Sains and tested on a pilot basis before its widespread application.
### Table 4: Comprehensive M/E: Schematic View of Information Requirements, Organisation and Methodology

<table>
<thead>
<tr>
<th>STAGE</th>
<th>INFORMATION REQUIREMENTS</th>
<th>STAKEHOLDERS</th>
<th>M&amp;E APPROACH</th>
<th>M&amp;E METHODOLOGY</th>
<th>M&amp;E ORGANISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. PHYSICAL IMPLEMENTATION</td>
<td>- Financial Expenditure</td>
<td>Project Management</td>
<td>INPUT/OUTPUT MONITORING (IOM)</td>
<td>AT PROJECT LEVEL</td>
<td>- M&amp;E unit within project</td>
</tr>
<tr>
<td></td>
<td>- Construction Progress</td>
<td>Line Dept./Ministry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Delivery of Inputs</td>
<td>Central M&amp;E Dept.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Staff Placements/Training</td>
<td>Donor Agencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Quality Control</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. COMPLETION</td>
<td>- Planned and actual expenditure</td>
<td>Project Management</td>
<td>PROJECT COMPLETION REPORT (PCR)</td>
<td>AT PROJECT LEVEL</td>
<td>- M&amp;E unit within project</td>
</tr>
<tr>
<td></td>
<td>- Planned inputs and actual inputs delivered</td>
<td>Central Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Planned and actual facilities created</td>
<td>Expatriate Consulting Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Contracting arrangements</td>
<td>Donor Agencies</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Procurement issues</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Any other implementation experiences time overruns, cost overruns, reasons etc.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. OPERATION AND MAINTENANCE</td>
<td>- Administrative dimension of operation and maintenance</td>
<td>Project Management Group</td>
<td>SUSTAINABILITY MONITORING (SM)</td>
<td>AT PROJECT LEVEL</td>
<td>- M&amp;E unit of the Line Dept./Ministry</td>
</tr>
<tr>
<td></td>
<td>- Economic dimension of per unit cost and return, calculation of FEM</td>
<td>Central Government</td>
<td></td>
<td></td>
<td>- M&amp;E unit of the Line Dept./Ministry</td>
</tr>
<tr>
<td></td>
<td>- Community dimension (in case of community-based projects): community participation</td>
<td>Research Institutions</td>
<td></td>
<td></td>
<td>- M&amp;E unit of the Line Dept./Ministry</td>
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<tr>
<td></td>
<td>- Distributive dimension, i.e. accrual of socio-economic benefits</td>
<td>Beneficiaries</td>
<td></td>
<td></td>
<td>- M&amp;E unit of the Line Dept./Ministry</td>
</tr>
<tr>
<td></td>
<td>- Institutional dimension, i.e. institutional development at both government as well as community level.</td>
<td></td>
<td></td>
<td></td>
<td>- M&amp;E unit of the Line Dept./Ministry</td>
</tr>
<tr>
<td></td>
<td>- Environmental dimension, i.e. assessment of effects on environment.</td>
<td></td>
<td></td>
<td></td>
<td>- M&amp;E unit of the Line Dept./Ministry</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>POST PROJECT (4-5 years after completion and operation and maintenance)</td>
<td>- Achievement of stated goals</td>
<td>Central Government</td>
<td>IMPACT EVALUATION STUDY (IES)</td>
<td>AT PROJECT LEVEL</td>
<td>- M&amp;E unit of the central government</td>
</tr>
<tr>
<td></td>
<td>- Testing of hypothesis</td>
<td>Donor Agency</td>
<td></td>
<td></td>
<td>- M&amp;E unit of the donor agencies</td>
</tr>
<tr>
<td></td>
<td>- Identification of unintended outcomes, if any.</td>
<td></td>
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</tbody>
</table>
In summary, the recommended approach to organisation and management of comprehensive M/E in the region emphasises:-

- further improvement of IOPM systems which are mainly management-related;
- capturing and storage of end-project data through PCR;
- institutionalisation of SM system for ongoing management and sustainance of completed projects needing methodological training and organisational restructuring;
- capturing and maintenance of consolidated SM data at regional and/or central level; and
- institutionalisation of cost-effective IE system (which in many ways is likely to become less costly to achieve once data on end-project status and on SM studies are maintained and consolidated).

Most importantly, the comprehensive M/E model presented in this study, sees 4-stage M/E as a continuous process having considerable and inseparable linkages to one another. Integration of these M/E sub-systems is, therefore, considered vital for development of a balanced approach in M/E.

A comprehensive M/E thus developed would greatly facilitate efficient management of ongoing implementation and project sustainability, highlight intended and unintended outcomes of projects and indicate corrective measures for continuous adjustments to planning and management process. However, it should also be remembered that M/E is only a management tool and not management by itself. It is only when the managers and top policy makers are serious about managing, that a good M/E system becomes a useful tool for planning and managing projects. Given the current degree of commitment of the South-East Asian governments, evolution and operationalisation of successful M/E in these countries may not be such a difficult task after all.
COUNTRY REPORTS

Indonesia
Malaysia
Philippines
Thailand
9.1 General Country Scenario

The name Indonesia combines the Greek words Indos, meaning East Indian and nesos meaning islands. Indonesia is the largest archipelago in the world comprising the five main islands of Java, Sumatra, Kalimantan, Sulawesi, and Irian Jaya and about thirty smaller archipelagos totalling 13,667 islands, of which approximately 6000 are inhabited. The greatest distance from east to west is 3,175 miles (5,110 kms) - about one and half times as wide as the continent of Europe) and from north to south is 1,173 miles (1,888km). The total land area is approximately 772,204 sq.miles (2,000,000 sq.km) and the sea area about four times bigger. The islands are surrounded by the South China Sea, the Indonesian (Indian) Ocean and the Pacific Ocean.

The terrain of Indonesia is varied. Much of the country is mountainous, and forest and jungles cover nearly two-thirds of the land. It has approximately four hundred volcanic peaks, of which one hundred are active or dormant, and the remainder inactive.

Java with its volcanic soil together with the hot climate makes it one of the most fertile areas in the world. The island is also one of the most densely populated and intensively cultivated land mass in the world.

Administratively, the country is divided into twenty-seven provinces, below these are districts (Kabupaten), sub-districts (Kecamatan) and villages (Desa). All these administrative entities except "desa" is headed by government appointed bureaucrats mainly coming from the army. Head of a village is either elected or nominated by the government.

This Country Report has been prepared by M. Adil Khan based on brief field investigations and documents research. While any factual inaccuracies are sincerely regretted, the author takes the full responsibility of any comments and observations made in the report.
Population of the country based on the 1981 census was estimated to be approximately 168 million in 1980. Nearly two-thirds of the population lives in Java. Vast land areas in other islands are sparsely populated. Indonesian government's programme of transmigration aiming to disperse the population throughout the archipelago evenly has met with mixed successes.

The GDP which stood at US$52,501 million in 1979 and was growing at 6% per annum has since slowed down due to slump in oil prices. Oil boom also brought about some structural changes in the Indonesian economy—construction and heavy industries sector taking precedence over agriculture. However, heavy debt liabilities and falling oil revenues have prompted the government to initiate some readjustment measures.

Agriculture accounts for about one-third of the GDP and employs two-thirds of the work force. The agricultural sector is split between approximately 18 million small holders, producing mostly rice and other food crops and estate (plantation) sector, producing cash crops such as rubber, tea, coffee, palm oil and tobacco.

The country has also large deposits of minerals which include tin, copper, bauxite, nickel and coal and significant quantities of sulphur, manganese, gold, silver, iron, diamonds, marble, gypsum and phosphate.

Textiles is the oldest and largest industry in the country. Oil money helped the government to establish large manufacturing industries in the area of steel, automobiles and cement.

Recent government efforts in overcoming financial doldrums—caused by oil slump—through boosting of non-oil exports seem to be producing positive results.
9.1.1 Planning and Implementation Arrangements

Indonesia's economic development is guided by a series of five-year plans drawn up by the National Planning Board (BAPPENAS). Planning at provincial level is done by the Provincial Planning Department (BAPPEDA I) and at district or Kabupaten level by District Planning Board (BAPPEDA II). At present the government is in the process of implementing its Fourth Five Year Plan (Repelita IV: 1984-1989).

The project cycle in Indonesia is guided by a principle called, SIDCOMPRI:-

\[
\begin{align*}
S &= \text{Selection} \\
I &= \text{Identification} \\
D &= \text{Design} \\
C &= \text{Construction} \\
O &= \text{Operation} \\
M &= \text{Maintenance} \\
P &= \text{Productivity} \\
R &= \text{Return} \\
I &= \text{Impact}
\end{align*}
\]

Within the framework of 25 year Perspective Plan (GBHN) and the Five Year Plan (Repelita), projects are selected by following both top-down as well as bottom-up approaches. For the top-down approach projects may be identified by any of the several professional groups in the country, namely, the Association of Agricultural Economists, Economists Association, the Engineers Association etc. Concerns expressed through the Parliament and/or the Newspapers on certain issues may also translate themselves into projects. For the bottom-up approach, project proposals coming through provincial governors receive due attention for appraisal and approval.

Projects once identified get processed through one of the 21 development departments and submitted to the central planning agency, BAPPENAS' respective technical bureaus appraise and approve these Projects identified at Provincial and District levels must be processed and submitted through the provincial and district planning agencies (BAPPEDA-I and BAPPEDA-II).
respectively. Final appraisal and approval of regional projects are done by the Regional Bureau of BAPPENAS. It takes approximately 2 years between identification and final approval of a project. (See Diagram 1 for Technical Organisation of BAPPENAS).

Once projects are approved and accommodated within the current Repelita, then budgetting is done on an annual basis, which in Indonesia has come to be known as, DIP, containing:-

- Financing Plan
- Financial Scheduling
- Physical Scheduling

DIP is then broken down into PO which is the operational instructions concerning detailed activities of a project. (See Diagram 2 for Project Planning Process in Indonesia). The fiscal year in Indonesia runs from April to 31st March next year. Parliament approves the Annual Budget Bill in January each year. After BAPPENAS outline the expenditure details, a Presidential Decree is issued, including total amount of each INPRES Fund.

In terms of total number of projects in the country, there are approximately 5000 on-going projects of which agriculture has 2000.

9.1.2 History of M/E Practices

National Development Agencies in Indonesia came into being since 1969/70. Responsibilities of identification and implementation of projects were mainly vested with these agencies. With the increasing number of projects, increased the problems of timely implementation, quality utilisation of funds and inter-departmental co-ordination.

Although Audit Bureau of the government (BPKP) was always involved in financial monitoring of projects, it was not until the late seventies and early eighties that central agencies like BAPPENAS and headquarters of the line departments assumed some meaningful M/E initiatives. The latter initiatives came into being not only to ensure timely implementation but
also to ensure quality implementation of projects. Further, initial donor frustrations - who had substantial inputs into projects - coming from delayed implementation and sluggish disbursement also led to strengthening of the M/E process.

BAPPENAS has since been reorganised assuming the role of - in addition to planning and budgetting - policy co-ordination, monitoring and evaluation.

At the departmental level, since 1980, two most significant developments have been the initiation and strengthening of M/E activities at the Ministry of Transmigration (MOT) and of the Directorate General of Water Resources Development (DGWRD). MOT supported by World Bank through UNDP Technical Assistance and DGWRD through Asian Development Bank, World Bank and International Fund for Agricultural Development (IFAD) have since been reorganising and strengthening both the methodological as well as organisational aspects of this M/E.

These M/E initiatives came not only to improve the physical implementation of projects, but also to monitor their substantive issues - productivity, operation and maintenance and impact.

Inspectorates of the line departments and the Audit Bureau (BPKP) have been strengthened recently to undertake on-the-spot monitoring and auditing of projects.

Concerns with the institutional aspects of projects and also their sustained operation and maintenance have prompted the government to open a new bureau within BAPPENAS, namely the Bureau of Development Administration. This Bureau, started since 1987 with skeleton staff, has plans to get more heavily involved in the institutional aspects of development management in future. An expert adviser attached to this Bureau is responsible for examining the sustainability aspects of projects - especially in the context of the government's current decentralisation programme.

Of late, the Information and Data Processing Bureau of the BAPPENAS has engaged itself in developing a decentralised information system. Using
common indicators, the provincial and district entities of BAPPENAS and line departments are encouraged to collect and store data on micro and macro-level socio-economic issues. At the central level, the Bureau collects its data from the sectoral bureaus within the BAPPENAS.

The Indonesian Government which started to strengthen its M/E process only a decade ago, have by now been able to develop a very well laid-out information system throughout the country. The government's current M/E efforts emphasise the aspects of implementation co-ordination, successful operation and maintenance of completed projects and improvement of overall development management system.

9.1.3 The Current M/E Arrangements at the National and Sectoral Level: Organisation and Uses of Them

At the central level, BAPPENAS, Audit Bureau (BPKP), Inspectorates and M/E units of line departments are the central government agencies (CGAs) responsible for monitoring and evaluation.

The Operational Instructions (POs) which are detailed financial and physical schedules of a project for a particular financial year constitute the basis for ongoing implementation. While the day-to-day monitoring of implementation of projects are done by the individual project authorities, monthly monitoring is done by the line departments. Macro-level monitoring of implementation is carried out by the BAPPENAS, Audit Bureau, Governors of the Provinces and Inspectorate Generals of the line departments. The Ministry of Interior is responsible for monitoring of rural and regional development projects.

BAPPENAS using B1 form (now undergoing some redesigning) monitors projects by gathering information on:

- financial
- physical
- functional and
- administrative aspects of a project
Monitoring of functional and administrative aspects are new initiatives in BAPPENAS. They refer to operation and maintenance of completed projects and management performance of project authorities. The Bi form in addition to highlighting progress data also includes information on problems, agencies responsible for them and suggested remedies. The Bi form is required to be submitted directly by the project managers to BAPPENAS and also to the Ministry of Finance directly. If and when BAPPENAS detects some major slippages in target achievements in any projects it initiates physical inspection of those projects. However, those problems which are not possible to be resolved at project levels, are the ones picked up by BAPPENAS for consideration and action.

As mentioned earlier, the financial monitoring of projects are carried out by the Auditors. In Indonesia there are several types of Auditors namely:

- Parliament Auditors (BPK)
- Government Auditors (BPKP)
- Private Auditors

M/E efforts of the Auditors mainly concern themselves with the aspects of fund release and utilisation, observance and/or non-observance of financial rules, tendering procedures, methods of payments of contractor's bills etc.

For sectoral monitoring, while technical bureaus of BAPPENAS collect information on macro-economic trends of different sectoral activities, Information and Data Processing Bureau of BAPPENAS collates and consolidates them for obtaining the aggregate picture. Based on the collated information, the Information Bureau prepares, on an annual basis, national income statistics including the sectoral contributions. However, prior to consolidation of national figures, the Bureau holds negotiations with the technical departments for achieving data accuracy. Using a computerised data processing system, the Bureau has also been able to develop:

- a system of aid management and monitoring of debt-servicing (in conjunction with BAPPENAS and Ministry of Finance) and
- a model of donor characteristics and their respective conditionalities.
The Bureau's information system is also used for the preparation of an Annual Plan and also for the President's annual economic address to the Parliament.

With regard to monitoring and evaluation of sector-related projects, sector specific line departments/ministries developed their own institutional and methodological arrangements for undertaking M/E of their projects. This study examines monitoring and evaluation systems of three major departments, namely, Directorate General of Rural Development (DGRD), Directorate General of Water Resources Development (DGWRD) and Ministry of Transmigration (MOT).

**DGRD's M/E Activities**

In Indonesia, the rural development projects which are sponsored and administered through DGRD, are implemented at the district level by a Project Implementor. The district level activities are linked with the centre through Rural Development Offices functioning at the provincial and district levels. Below district, there are also RD Offices at Kecamatan or sub-district levels. At village level, the RD activities are co-ordinated through village (Desa) head.

Monitoring of delivery system of RD projects is achieved through Inspectorate staff at the centre, provincial and district levels. An annual survey is carried out to assess the quality and timeliness of the delivery system including assessing the development status of the villages receiving project support. For assessment of the development status of the villages, seven indicators are used:

- gross village income
- sources of household income (occupation)
- hold of traditional habits
- adequacy of social and economic institutions

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45 CIRDAP. op cit.
extent of participation of villages in implementing development projects
- level of education (elementary)
- infrastructure (production/communication/marketing/social).

Based on a simple scoring system, villages are classified into "traditional/transitional/self-sufficient" categories. This scoring system, while helping project directors in assessing the status of development in a village, also enables them to identify further projects and activities needed for improvement of the situation. Community participation in RD projects is ensured through the establishment of Village Resilience Committee (LKMD). LKMD's progress reports, prepared by the village chief, is submitted to the project officials for information and necessary action. (See Diagram 3 Flow-Chart on DGRD Monitoring and Evaluation System.)

M/E efforts of DGRD, though well laid out as a system, are impaired by inadequate staffing and lack of trained personnel in its M/E units. There are also methodological weaknesses in their survey design. Quality of the aspects of community participation in Indonesia is difficult to assess due to the existence of "paternalistic" ethos in that society where villagers accept, without question, every intervention of the government as being beneficial.

DGRD also faces problems in co-ordinating and gathering timely information from outside agencies who participate in RD programmes. These lacuna tend to weaken the completeness of DGRD monitoring reports.

**DGWRD's M/E Activities**

The M/E initiatives and approaches of water resources projects - sponsored and administered by Director General of Water Resources and Development (DGWRD) - have been developed and consolidated since 1984. By accommodating M/E approaches of different donors - involved in funding water resources projects - the DGWRD has developed within itself a comprehensive M/E system known as Project Monitoring and Evaluation System (PME). The objectives of:
PME are to "supply accurate, objectively reliable, relevant, timely and action-oriented data for:"

- the planning of the water resources projects, including irrigation, river works, swamp reclamation and hydropower development prior to implementation;

- supplying operational information to managers responsible for implementation, operation and maintenance and crop production; and

- evaluating the degree of success of implemented projects, comparing performance with targets and objectives set at the time of project appraisal, and improving planning of similar imminent projects.

DGWRD's M/E system defined five levels of management information:

**Level A** *(Physical and Financial Progress)*
Information requirements include construction activities, input deliveries, creation of physical facilities, fund release and expenditure etc.

**Level B** *(Operation and Maintenance)*
Information requirements include cropping pattern, cropping intensity and water management, operation and maintenance of equipment.

**Level C** *(Crop Production and Support Services)*
Information requirements include, the input side: supply and availability of seeds, fertilizers, credit, extension, marketing, water and farmer cost of production. On the output side: yield, farm size, tenurial status, production etc.

**Level D** *(Farm Income Generation and Management)*
Information requirements include crop prices, crop incomes and crop margins.
Level E  *(Socio-economic Impact)*

Information requirements include incremental multiplier effects of water projects, additional employment opportunities created for the rural poor, changing patterns in income distribution etc.

However, the main thrust of PME system is limited to level A to level D only. Level E is carried out only for a few select projects.

Organisationally, at headquarter level, monitoring information regarding level A is obtained through the Administration Divisions of Provincial Water Resources Offices and consolidated at the Secretariat to DG (INTAL). For levels B, C and D, information is collected and collated from the Provinces by the Development Programme and Planning (DPP) Division of the DGWRD. (See Diagram 4 for Organisation of Headquarter Level PME.)

At the provincial level, level A information is collected through Administration Divisions of Provincial Irrigation Offices (PIO) and that of levels B, C and D by the PME Units located within the O & M Divisions of the PIOs. (See Diagram 5 for Organisation of Provincial Level PME.) PCs are used for data processing - both at headquarter as well as at provincial levels. World Bank is providing technical assistance for raising the computerised data processing capability of DGWRD.

By using pre-designed reporting formats, information concerning levels A, B, C and D are collected, collated and analysed. Periodicity and volume of information collected depend on the levels of the reporting managers including their respective information needs. (See Diagram 6 for Level of Management, MIS/PME Level, Type of Report, Time Frame and Responsibility.)

DGWRD's PME caters to information requirements of several stakeholders - from field to national level. (See Diagram 7 for PME System Clients.)

Although M/E system of DGWRD has been planned on a grand scale, several organisational and methodological weaknesses that persist in the system affect its efficient and full application.
Some adjustments relating to inter and intra-departmental communications including staffing at all levels are yet to be fully developed. Although the aspects of interdepartmental co-ordination and co-operation is a priority concern of the government, DGWRD is still facing difficulties in enlisting support and co-operation of other departments responsible for providing complementing activities in its irrigation programmes. On methodological issues, efforts may need to be made to integrate monitoring information of all the PME levels to one another. At present, PME level A remains outside other levels and operates in isolation. However, efforts are underway to integrate this level to the rest of the PME system.

For level B, M/E approach concerns itself mainly with crop-related activities and not so much on the aspects of water availability and its use and maintenance of irrigation systems. The latter issues which come as inputs to cropping matters, need to be equally if not definitively monitored to ensure achievement of the desired output.

Primary data collection at levels C and D is the responsibility of agencies other than DGWRD, usually at the provincial and kabupaten levels. For example, for agriculture at kabupaten level, production statistics are coordinated by the Bureau of Statistics assisted by Ministry of Agriculture officers who collect most of their data from the Ministry's extension service. These include both historical as well as forecasts data. The kabupaten data is forwarded to the Governor's office for each monthly set of data to be cleared by all levels of authority. At present this monitoring is carried out to conform with the administrative boundaries and is not project specific.

This data is used by DGWRD for project preparation and appraisal and also for Project Completion Reports (PCR).

It appears that very little continuous monitoring has been carried out on a systematic basis that would be useful to project management at level B, C and D, and experience with the PCR's produced by DPP has shown clearly that the data available for evaluation purposes is not satisfactory, mainly because the data is not project-specific.
Several benchmark surveys have been carried out incorporating level E indicators in combined levels C, D and E surveys by DGWRD. The information from these surveys is useful for planning purposes but has limited applicability as an aid to project management.

It has been decided that in designing a PME framework for levels C and D, the choice between the use of primary or secondary data should depend on the quality and quantity of secondary data available.

Field testing has shown that secondary data can be obtained on most of the indicators at levels C and D. In Table 5 secondary data sources servicing the main information requirements at these levels are shown. Secondary data is the cheapest form of data.

The main advantages of using secondary data are:-

a. Indonesia has a well developed data collection system in the agricultural sector, which can supply information of reasonable quality for most level C and D indicators, particularly for planning purposes, at low cost.

b. The resources required to establish a secondary data system are far less than those required for a primary data system.

The disadvantages of secondary data are:-

a. Data is collected and processed too late for immediate management information needs.

b. Since data is generally collected for estimates of quantities on an administrative boundary basis it is not always of suitable quality and has to be adjusted to service the needs of the project and/or technical irrigation boundaries.
### TABLE 5

**LEVEL C AND D PME - SECONDARY DATA SOURCE**

<table>
<thead>
<tr>
<th>Information Required</th>
<th>Data Source</th>
<th>Time Scale</th>
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<td></td>
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<tr>
<td><strong>1. Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Users Associations</td>
<td>DPU (P)</td>
<td>Seasonal</td>
</tr>
<tr>
<td></td>
<td>Pertanian/Local Government</td>
<td></td>
</tr>
<tr>
<td>Extension</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td></td>
<td>Bimas; Inmas; Insus</td>
<td></td>
</tr>
<tr>
<td>Marketing Facilities</td>
<td>Pertanian, Co-operatives</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Research</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td><strong>2. Production Inputs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit</td>
<td>Bank Rakyat</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Labour</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Seed</td>
<td>Pertanian/Co-operatives</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>Pertanian/Co-operatives</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Pertanian/Co-operatives</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Packing Materials</td>
<td>Pertanian/Co-operatives</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Transport</td>
<td>Farmer/Private Traders</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Taxes</td>
<td>Local Government</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Capital Costs</td>
<td>Farmers</td>
<td>Seasonal</td>
</tr>
<tr>
<td><strong>3. Outputs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area Planted</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Area Harvested</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Yields</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Production</td>
<td>Pertanian</td>
<td>Seasonal</td>
</tr>
<tr>
<td>Prices</td>
<td>Bulog; Co-operatives</td>
<td>Seasonal</td>
</tr>
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<td>Private Enterprises</td>
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</tr>
<tr>
<td>Income</td>
<td>Market Surveys</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Multiply: Production Prices</td>
<td></td>
</tr>
</tbody>
</table>
The advantages of using secondary data cannot be ignored and with the cooperation of the agencies responsible for collecting the primary data, improvements for project specific monitoring should be possible. For example, it might be possible to persuade the agency concerned to increase its sampling density for yield estimation in project areas.

The advantages of using primary data are greater accuracy and timeliness of the data for management information purposes. The main disadvantage is cost. Nonetheless because of the emphasis on PME as a management information system supplying data for decision makers in the short, medium and long term, some emphasis has to be placed on collection of primary data as well.

In the initial stages of the PME program for DGWRD it may be necessary to use both primary and secondary data sources. Field testing of models in the near future should be considered for improving the system and refining design. In future years the emphasis placed on secondary or primary data collection can be adjusted as dictated by experience.

The requirements of the various agencies may be different. For instance for agriculture DGWRD requires data on an irrigation boundary and project-specific basis, whereas the Ministry of Agriculture requires and collects data in conformity with administrative boundaries. DGWRD has the responsibility (through the Directorate of Planning and Programming) for project preparation and appraisal and Project Completion Report; incorporating all aspects of project design and evaluation, and therefore requires project-specific monitoring data. One of the main features of data collection and analysis requiring considerable attention is the monitoring of the effects of irrigation development on crop production and farm incomes. In this regard levels B, C and D are inseparable and the monitoring system requires careful treatment of this issue.
Continuous monitoring and evaluation of irrigated crop production is a relatively new subject. However, the irrigation operations and farming practices are fairly advanced, so a balance has to be struck between simplicity and sophistication. The monitoring system should provide sufficient data on selected key indicators that will reflect the condition of the main factors affecting irrigated crop projection. The tendency to generate data and attempts to pursue ultimate levels of accuracy in its measurement seem to absorb a lot of manager's time. In its formative years due regard may be given to the ability of management to absorb the data, and to use it. The inexperience of those responsible for carrying out the work must also be taken into account.

The result of PME have to meet the demands of several agencies other than DGWRD. Therefore co-ordination is required.

PME requires:–

a. A suitably staffed and equipped central PME unit in DGWRD.
b. Project PME units, (including survey teams for selected primary data projects).
c. Consultants and universities with PME skills and knowledge.
d. Finance.

The Ideal PME Program

DGWRD has defined the following levels of PME to assist in proposing a system and program for implementation.

Level A: Construction of Physical Facilities

At this level, information requirements may include the application of financial, labour, staff, equipment and other material resources as inputs produced through appropriate management actions, the physical facilities according to design, staying within budget estimates and completing the work on time. The information for this engineering and cost accounting aspect is generally already in place in DGWRD.
Level B: Operation and Maintenance

The method of operating the physical system depends to a large extent on the way the facilities are designed. Frequencies, and scale of maintenance necessary, are also matters of engineering. However, within the limits of the technical design, the responsibility for operation and maintenance does allow substantial scope for increasing system efficiency, supply reliability, area benefitted and for devising operation schedules that serve the beneficiaries more effectively. Information feedback on results of operations decisions (for instance, in the case of information on cropping patterns, field applications, water discipline, and farmer co-operation) may held to improve technical performance.

A design for monitoring and evaluation of facilities which should include the scope of level, would therefore, make substantial contributions in assisting the management decision-makers at level C in supplying them with information on the beneficiaries and with feedback on the seasonal performance.

Level C: Physical Benefits

Physical benefits of water resources projects, a concern of level C, may include:

- increased crop production due to irrigation, swamp development and flood control projects;
- hydroelectric power
- domestic, livestock, municipal and industrial supplies;
- others.

Using an irrigation project as an example, a basic objective is the provision of water in a controlled manner provide a basis for improved crop yields over the maximum area allowed by the available water resources. The cropping index is an efficient indicator for level B, the performances of C & M management, but optimum crop yields require also inputs such as seeds,
fertilizers, agrochemicals, as well as extension and credit services. The attainment of the production goals of the project demand that irrigation water, input supplies, and farm services, are made available to the beneficiaries in a timely and co-ordinated manner. Information is required at critical times during each and every cropping season in view of the ever changing environmental and economic factors. Seasonal reviews, in the form of short-term on-going evaluations, are necessary. The former would promote co-ordination among various management entities in charge of specific areas of responsibilities; the latter is helpful in preparing integrated agricultural development plans for the following crop season. In many instances, these constitute the major role of a monitoring and evaluation facility for an irrigation project.

This monitoring information which is expected to be collected through Level C of PME, will therefore need to be intimately linked to Level B.

These aspects are similar for any projects that produce agricultural benefits.

Level D:

The interest of beneficiaries, for which substantial public investments have been made, can be maintained if their efforts are rewarded with increased net income. This vital goal depends naturally on the appropriate and efficient use of the purchased inputs, as well as adequate marketing channels and favorable terms of trade between inputs and produce. Unfavorable marketing and economic situations may result in shortfalls in the various project targets. Information on management and profit margins would be useful for devising ways and means for assisting beneficiaries in maintaining their enterprises and sustaining the economic justifications of the investment, even under adverse situations. Level D which concerns with this aspect of the PME system needs further strengthening both from the methodological as well as organisation point of view.
Level E: Impact Assessment

Increases in physical benefits and rises in income have an impact outside the project. Such impact which to be monitored through Level E may include: positive improvement in land values; creating the necessary environment for spontaneous development; developing agricultural land for those most in need; improvement in employment opportunities for the landless as hired labourers in intensified agricultural practices; changing income distribution among members of a society. These developments would have significant implications for development policy formulation at the regional and national level. The intended and unanticipated effects and impact of the development effort should, therefore, be carefully monitored and analysed.

Apart from these five levels of management information requirements, there is, in addition, the need for examining other manifestations of project results: equity in benefit distribution, participation of beneficiaries in decisions affecting them, dynamic technological change and a host of sociological considerations. To the extent that these may affect project implementation or the design of future projects, these issues should also be addressed by the monitoring and evaluation system. At present, DGWRD's PME system puts less emphasis on this aspect of M/E.

DGWRD's PME system also includes provision of Project Completion Reports (PCRs). However, as the PCR is more of a requirement of donors - which they fund as well - its information requirements and methodological approaches differ with different donors. This results in unnecessary confusion and management complications. There is indeed a scope for developing a unified system within DGWRD for undertaking PCRs.

M/E at Ministry of Transmigration (MOT)

Transmigration is a crucial aspect of Indonesian development. However, this important programme of the government had experienced serious difficulties in the past, especially in the area of planning and budgetting. A recent World Bank study outlines these as follows:-
the large number of agencies involved and the lack of authority or resources in the Office of the Junior Minister for Transmigration (JMT) to reconcile agency plans;

- the difficulty of programming the long-term sequence of activities involved in settlement; and

- budgetting system that permitted expenditures over three years and thus created little need for careful planning.

Some positive steps regarding organisational restructuring including steps to improve the budgetting and planning system of the programme is already underway. The responsibility for budgetting and planning is now vested in one office, the Office of the Secretary General of the Ministry of Transmigration (MOT).

To improve the multi-agency co-ordination and co-operation and also to assess on a continuous basis, the outcomes of project efforts, need for an efficient M/E system in MOT cannot be overstated. In Repelita III, the World Bank and the UNDP provided technical support to install a M/E system at the Office of the JMT. The M/E system intended to develop an early warning system detecting problems. Because of limitations of JMT staff and resources, this system was never effective and has since been abandoned.

However, with the organisational restructuring of the Transmigration programme, new M/E initiatives are underway and organisationally, the M/E functions have been located at the Office of the Secretary General (OSG) of the Ministry. UNDP is providing technical support for development of a simple but comprehensive M/E system.

However, it seems that despite these organisational changes, the Planning Bureaus - the designated unit at OSG for M/E - current M/E initiatives have been seriously impaired by the fact that the unit is attempting to gather too much information. Data sheets are too long, they demand information not readily available to MOT staff and are therefore difficult to complete and...
they are collected monthly, thus taking a great deal of time. For these reasons, collection rates are low (recently 35%) and declining. Therefore the new M/E initiatives supported through UNDP is attempting to simplify the reporting system including the periodicity of reporting frequency from monthly to three-monthly.

Efforts may also be made - some of which are underway - to strengthen monitoring systems of other technical Directorates of MOT and also those of the Provincial and District levels. Effective linkages should also be made with all these sub-units of M/E with that of the Planning Bureau which is the centralised M/E unit of the MOT. To operationalise and sustain this new emerging system adequate staffing, training and resources should also be provided at all levels.

9.1.4 The Monitoring of Project Implementation

The Indonesian Government has been able to install an effective system for monitoring the implementation progress. BAPPENAS' project monitoring, BPKP's audit visits, field inspections of Ministries' Inspectorates and progress reporting systems of line departments are all geared to monitoring of project implementation.

With the decentralisation of procurement and contracting to provincial and district, significant progresses have also been in improving implementation. However, problems still remain with regard to monitoring projects involving multi-agency participation. For example, projects of rural development, irrigation and transmigration often fail to meet its implementation targets due to non-synchronisation of complementing activities vested with departments other than the lead agency. The lead agency's M/E system often has no mechanism to gather information on the activities of the other departments.

M/E approaches of other centralised agencies (BAPPENAS, BPKP) are also department specific, thus failing to identify the inter-departmental implementation linkages. It is the project managers - who often lack necessary political clouts to ensure necessary performance from the
departments outside his own - that receive all the blame for non-performance. This lack of appreciation in assessing the problems in its true perspectives often dissuades the project managers in generating truthful reporting.

Although decentralisation of certain project activities have improved implementation, in some cases, decentralisation of responsibilities were not matched with decentralisation of authorities - creating problems in timely implementation of projects. Another problem is inadequate linking of information gathering with implementation facilitation activity. This gap, for obvious reasons, impairs motivation of the project managers to generate timely and quality reports. Project managers also feel that they are excessively burdened with information generation (one study suggested that approximately 40% of project managers' time is taken up in preparation and submission of reports).

To help the problems of implementation co-ordination and also to expedite disbursement, particularly for foreign-aided projects, Ministry of Public Works has since established several Special Teams, Tim Khusus to this resolve.

Several departments, with assistance from donors, are in the process of developing numerous manuals on methods of monitoring and evaluation. The problems seem to be one of implementation of methods devised. Inadequate organisational arrangements and lack of measures to institutionalise the processes designed seem to be impeding successes of most of these new initiatives.

The recent focus on decentralisation of authority and responsibility for monitoring and evaluation would indeed help to improve implementation, yet such a shift does appear to be problematic in a system geared to and comfortable with a strong centre orientation.
9.1.5 Ex-Post Evaluation (Project Completion Reports) and Monitoring of Project Sustainability

Except for donor-funded projects - where preparation of PCRs is a part of a loan agreement - PCRs for other projects are not carried out regularly. The following reasons are given:-

- PCR is a costly and a timely affair without any real benefits either for planning or for project management purposes.

- Until recently, projects were allowed to continue and funded through development budget and therefore, not feeling the need for PCRs, as they are to be undertaken only when projects are declared complete.

The attitude is now gradually changing. There is an emerging recognition of the value of PCR - both from the planning as well as from the management point of view. Directorate General of Water Resources Development (DGWRD), through the development of a 5 Level PME system is already in the process of structuring a PCR system within its on-going M/E system. This way, DGWRD shall indeed be able to minimise the problem of cost and time significantly. However, the main difficulty of developing an operable PCR system in the department seems to be impaired by the burden of methodological variations imposed on them by different donors. Like their 5 Level PME system which tried to accommodate a range of information requirements demanded by different donors, similar efforts may also be needed to develop a unified and a comprehensive PCR system synthesising different donor as well as government requirements. As the present PCR activities are maintained through donor demand and support - more as a condition of loan - lack of further attempts at developing and institutionalising the whole system more as a part of the existing MIS system may constrain its sustained operation. Such institutionalisation process may have to occur within the intellectual and resource capability of the Department, otherwise any grand system developed through and responding to donor support and requirements may collapse with withdrawal of donor inputs.
Monitoring of project sustainability has always been the weakest aspect of M/E activities in Indonesia. However, with increasing strain on government resources prompted by demands of new development, need for monitoring of project sustainability is increasingly recognised - causing new thinking and initiatives in the area.

At the apex level, BAPPENAS has already initiated several measures in this direction. Initiatives of BAPPENAS although noble, still remains weak both from the organisational as well as from the methodological point of view. Administrative Bureau of BAPPENAS responsible for O & M monitoring, has only a skeleton staff with inadequate training. They are yet to decide whether their SM approach would cover all the projects in the country or may remain limited to some select projects only. Present organisational arrangements, for obvious reasons, would preclude them from covering any large number of projects. Even for their limited application, they may need to come up with some selection criteria based on which projects for SM may be undertaken. Whatever options they choose - large or small coverage - these are some of the issues the Bureau may need not concern itself with for institutionalization of an effective SM system.

DGWRD's SM activities are planned to be achieved through their B to D Levels of their newly designed PME system. However, the major flaws of this system are:

- that data collected are mainly crop-related and not so much on "water availability and use and maintenance of irrigation systems";

- that the data are collected - as they are done through the agencies like Dept. of Agriculture, Dept. of Agricultural Extension and Bureau of Statistics etc.) - are district specific and rather than project-specific.

For a successful SM system, while it may be important to gather information on the output of a project, it is equally important, if not crucial to gather information on inputs and supports that are necessary for producing
certain outputs. DGWRD's SM system seems to have concerned itself, mainly with the latter part of the SM information. Some thoughts may also be given either to reduce dependence on or to orient the external agencies responsible for data gathering to feed information more to match DGWRD's information requirements - i.e. information should be fed more on project basis rather than district basis, as seems to be the current practice. At present, the data are collected in a haphazard manner and their delayed presentation does very little to improve either management decisions or to correct current imbalances. Tendency is to act when there is a crisis.

The sustainability monitoring efforts of the Directorate General of Rural Development (DGRD) are planned at several tiers of the government and these are as follows:

- **Village Level**: (i) to make a report on the village development implementation on a periodical basis to the KECAMATAN; (ii) to provide information on emergency village problems to KECAMATAN so that solutions can be found to these problems; (iii) to evaluate the participatory activities of the community in development implementation; and (iv) to provide feedback data to the KECAMATAN to assess the impact of village development projects.

- **Kecamatan Level**: (i) to conduct evaluation on a periodical basis in all villages by the Kecamatan (UDKP). This is to know whether Swadaya (Traditional) villages are attaining the status of Swakarya (Self-Sufficient) and so on; (ii) to collect and process data to assess development impact of Kecamatan (UDKP); (iii) to provide technical guidance to LKMD (Village Resilience Committee); and (iv) to provide feedback to the Kabupaten to improve the implementation method of integrated village development projects.

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CIRDAP Workshop Report - Planning, Implementation and Evaluation of IR Projects, 4-10 May, 1982.
- **KABUPATEN LEVEL**: At this level, the objective of monitoring is (i) to evaluate on a periodical basis, the Kecamatan (UDKP) and village plans (LKMD); (ii) to provide technical direction, guidance and information to the Kecamatan; and (iii) to provide feedback data to the provincial level to strengthen and improve village development implementation in Kabupaten.

- **PROVINCIAL LEVEL**: At provincial level, the Governor monitors the implementation in Kabupaten and Kecamatan and also provides corrective action to these levels.

- **CENTRAL LEVEL**: At the Central level, the process of monitoring is similar to that at provincial level and is organised to provide feedback to the Director General of Rural Development for the purpose of strengthening and improving the programmes. The Director General of Rural Development is also free to evaluate village development programmes at any level.

These planned SM efforts of the DGRD seem to encounter the same sort of organisational and methodological difficulties as those of the DGWRD—ineffective staffing and resources, multi-agency dependence on data generation, delayed data analysis and presentation; and lack of or inadequate management responses to data presented. Community participation which is crucial to sustainability of rural development projects is examined more from the willingness of the community to pay for the services rather than from the context of their abilities. Little regard is also given to the monitoring of distribution aspects of project facilities. There is no doubt that there exists an increasing need to recognise the link between receipt of project benefits and with that of payment for receiving these facilities. Monitoring of the former would justify the monitoring of the latter—thus ensuring one of the aspects of sustainability. Also for collection of village level information through LKMD which is a loosely organised and inadequately trained entity may create problems concerning timely and quality submission of data. At present, BAPPEDA-I and BAPPEDA-II's M/E units responsible for, inter alia, SM activity at provincial and district levels respectively, seem to be equally ill-equipped to undertake
these activities. M/E of rural development activities including SM for rural areas by the BAPPENAS is very minimum, if not, totally absent.

The Ministry of Transmigration (MOT) did undertake some sustainability studies of their completed projects in the past. But these studies tended to be mainly post-facto analysis of programme effectiveness rather than being concurrent studies of comparisons between planned inputs and actual inputs and being one of seeing of relationships between inputs and outputs during the operation and maintenance phase of the project.

In summary, sustainability monitoring and monitoring of operation and maintenance of completed projects are becoming an increasing concern of the Government of Indonesia. Several efforts - both at the central as well as at the different levels of line departments - are already underway. These initiatives need both organisational as well as methodological strengthening. Aspects of monitoring community participation - which is at present very weak, if not ignored - are crucial to community-involved projects.

Inter-departmental co-ordination for generation of data and for multi-agency management responses need to be organised and strengthened at different levels of the government. M/E units of lead agencies should be linked with the M/E agencies of participating line agencies at provincial and district levels and be provided with necessary political clout for timely and quality collection of data. At community level, efforts should be made to involve the community into the monitoring process of the government. Similar efforts should also be made to link the data collection with prompt problem-solving initiatives.

9.1.6 A Comparison of Procedures for the Monitoring and Evaluation of Donor Funded and the Nationally Funded Projects

The Government's present M/E arrangements for monitoring of implementation are equally strongly organised for both donor-funded as well as nationally funded projects. However, M/E arrangements of donors - supervisory missions and in-country mission monitoring - further complement and strengthen the
process for donor-funded projects. These support arrangements, also help the donor-funded projects to achieve better inter-departmental co-ordination and prompt problem-solving decisions. The nationally-funded projects although subjected to substantial generation of information do not tend to attract similar implementation facilitation initiatives.

PCR's are initiated mainly for donor-funded projects for which both the funding as well as the technical support come from donors. Sustainability monitoring, although a growing concern of the government seem to be an activity currently restricted to donor-funded projects only. Both staffing and technical support for SM appear to be maintained through donor support risking the collapse or weakening of the system with the termination of donor inputs. BAPPENAS' concern in SM expressed through creation of a separate Bureau, as explained earlier, continues to be organisationally very weak and its institutional linkages to M/E units of line departments including BAPPEDAS (I and II) are yet to be established.

9.1.7 Key Issues

The current M/E activities in Indonesia suggest the following trends:-

- that the government has been able to establish a well laid out project information system linking villages right up to the centre;

- that the monitoring information system of BAPPENAS is well-stocked with macro-economic information;

- that despite country's efficient information retrieval system, projects encounter delayed implementation due to a range of factors: poor problem-solving, inadequate inter-departmental co-ordination, poor organisational capability and lack of decision-making or decision-support clout of the M/E units;

- that the decentralisation programme of the government did not adequately match the decentralisation of responsibilities with that of authority;
that involvement of large numbers of monitoring organisations of the government puts excessive burdens on project managers for generation of information;

that linking of problem-solving with information gathering, an important element in M/E is better achieved for the foreign-funded projects than the nationally funded ones - to the extent that the Indonesian government has formed Tim Khusus, a special task force, to assure implementation, co-ordination and problem-solving facilitating timely implementation of donor-funded projects;

that Sustainability Monitoring and Project Completion Reports, though increasingly recognised by the government as important aspects of M/E, are still restricted to donor-funded projects only. Organisation of SM and PCR tend to remain vulnerable to donor support and interest;

that government's realisation that institutional aspects are crucial to successful implementation of projects resulted in creation of a separate Bureau within BAPPENAS, the Bureau of Administrative Reform, which is to be engaged in monitoring of management performance of project authorities and line departments. The Bureau itself, however, needs further strengthening in the way of increasing in staffing and further training;

that monitoring and evaluation of community participation, both from access to and availability of project benefits, including greater involvement of the community in operation and maintenance of project facilities, be it agricultural or social, is yet to be developed as a complete system. Government's increasing desire to hand over project facilities to the community for their O & M may need to be carefully done in a system which is traditionally geared to central government support for both development and maintenance of project facilities. Moreover, heavy cost of maintaining some of these facilities which were in fact planned and installed without considering the technical and resource capability of the local community may not be very conducive for local level participation.
In summary, monitoring and evaluation in project development and implementation are at present being taken seriously by the government, burdened as it is by budget constraints. Special teams set up by the Ministry of Public Works to maximise use of foreign-aid attest to this resolve. Numerous manuals on methods of monitoring and evaluation have been and are being prepared. The problem is one of implementation of the methods being devised. Underlying this is the pervasive need for organisational strengthening and institutionalisation of the M/E process initiated. Shifting the focus to a decentralisation of authority and responsibility of monitoring and evaluation would help improve implementation, yet such a shift is problematic in a system geared to and comfortable with a strong centre orientation.
INDONESIA: TECHNICAL ORGANISATION OF BAPPENAS

MINISTER

VICE CHAIRMAN

DEPUTIES

POPULATION & ENVIRONMENTAL DEVELOPMENT DIVISION

ECONOMIC AFFAIRS DIVISION

FISCAL & MONETARY POLICY DIVISION

SOCIAL DEVELOPMENT DIVISION

REGIONAL DEVELOPMENT DIVISION

ADMINISTRATIVE REFORM DIVISION

BUDGETTING CONTROL

5 TECHNICAL BUREAUS

5 TECHNICAL BUREAUS
DIAGRAM 2

PROJECT PLANNING PROCESS IN INDONESIA

IDENTIFICATION/SELECTION

Top-down (Depts)

Projects

Bottom-up (Regional)

PROCESSING/APPROVAL

GBHN (25yr Perspective Plan)

REPELITA (5yr Plan)

DIP (Annual Plan)

PO (Operational Instructions)

BAPPIENAS Ministry of Finance

BAPPEDA I (Provincial)

BAPPEDA II (District)
Diagram 3

Flow Chart: M/E System of Directorate General Rural Development (DGRD)

DIAGRAM 4

MIS AND PME ORGANISATION IN DGWRD HEADQUARTERS

DG of DGWRD

Assistant DG

Secretary to DG: INTAL

Level A: (MIS) Financial/Physical Progress

Directorates

- Swamps
- Rivers
- DPP
- DDI
- Logistics

Level B, C, D PME

Sub Div

Prov. 1 Prov. 2 Prov. 3 Prov. 4

Projects

A A A A
B B B B
C C C C
D D D D

e.t. e.t. e.t. e.t.

Province 1 Province 2 Province 3 Province 4 etc.

Projects

A A A A
B B B B
C C C C
D D D D

etc. etc. etc. etc.
DIAGRAM 5

MIS AND PME ORGANISATION AT THE PROJECT/PROVINCIAL LEVEL

Provincial Irrigation Service

O&M Division

Administration Division

Planning Division

Irrigation Development Division

PME unit Level B, C, D

Level A: Financial and Physical

Project A

Project B

Project C

Project D

Project etc. E
<table>
<thead>
<tr>
<th>LEVEL OF MANAGEMENT</th>
<th>MIS/PME LEVEL</th>
<th>TYPE OF REPORT/TIME FRAME</th>
<th>RESPONSIBILITY</th>
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<td>Juru/PPL</td>
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<tr>
<td></td>
<td></td>
<td>2. seasonal</td>
<td>Seksi Staff</td>
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<td></td>
<td></td>
<td>3. annual</td>
<td>Wilayah Staff</td>
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<td>E&amp;P Laporan</td>
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<td>2. Project/Provincial Level</td>
<td>Level A,B,C,D</td>
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<tr>
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<td>3. time series</td>
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<td>3. Time Series</td>
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(1) Level A also requires Monthly/Quarterly Reporting.
Diagram 7

PME System Clients

1. Implementing Agencies

National Implementing Agencies
1. DG
2. DGWRD Directorates
3. Dinas Pertanian
4. Marketing Agencies

Provincial Implementing Agencies
1. Provincial Irrigation Service
2. Project
3. Dinas Pertanian
4. Marketing Agencies

Regional Implementing Agencies
1. Seksi
2. Irrigation Committees
3. Regional Marketing Agencies

Irrigation Unit's (D.I.S)
1. Irrigation Service Staff (Jurus etc.)
2. Water Users Associations
3. Local Agricultural Staff
4. Local Marketing Agencies
5. Irrigation Committees

Tertiary Units
1. Irrigation Service Staff
2. Water Users Associations
3. Local Agricultural Staff
4. Farmers
5. Farmers Groups

Monitoring & Evaluation System

2. Planning Agencies

3. Aid Agencies
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9.2 General Country Scenario

Malaysia comprises the 11 states of Peninsular Malaysia and the states of Sabah and Sarawak in the island of Borneo. It covers an area of about 340,000 square kilometers, 60% of which are located in the two Borneo States. Malaysia has a multi-racial population consisting of the indigenous people (of whom the Malays form the majority), Chinese, Indians and others. In 1987, the total population of the country was estimated to be 16.527 million with an average population growth rate of about 2.6% per annum. Almost 83% of the total population or 13.655 million were in Peninsular Malaysia whilst the remaining 2.872 million were in the Borneo States of Sabah and Sarawak. In Peninsular Malaysia, the Malays accounted for the majority of 57.3% of the population whereas the remainder was made up of Chinese 32.1%, Indians 10.0% and others 0.6%.

9.2.1 Economic Structure

Malaysia, at the time of its independence in 1957 was heavily dependent on the agriculture sector which contributed about 40% of the Gross Domestic Product (GDP), provided employment to almost 60% of the labour force and accounted for almost 66% of the country's total export earnings. Furthermore, most of the export earnings were from two primary commodities, namely rubber accounting for 55% and tin 22% of the total earnings. The economy since then has undergone significant structural changes: agriculture, at present contributing only 20% of GDP; industry, 20%; mining, 10%; construction, 5% and tertiary sector, 40%, and others, 5%. Sizable rise in tertiary sector is due to expansion of government sector.

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47 The Country Paper on Malaysia has been prepared by P. Haridas and Fadil A. Abbas of INTAN and edited by M. Adil Khan, the EDI/World Bank Consultant. However views expressed in this report belong fully to the authors.
9.2.2 Institutional Arrangement for the Planning and Implementation of Project

The process of development planning in Malaysia started in the mid-1950’s during British colonial rule and has remained the same. However, the strategies of planning and the emphasis of the various five-year development plans have changed over time keeping with changes occurring in the social, political and economic environments with the country and also globally.


During the first and second Plan periods, the emphasis was on the provision of basic physical and social infrastructure and rural development. In the third period, (1966-1970), the focus was still on achieving economic growth but there was also a nascent attempt to overcome problems of poverty, income distribution and racial and social imbalances. Although a high per capita income growth rate was achieved the problems of racial imbalances and income distribution came to a head with the occurrence of racial riots during May 1969.

As a result of this tragic occurrence, the New Economic Policy (NEP) came into being in 1970 as a means of overcoming the social, political and economic problems of the nation and steering the nation towards a path of development which allows all citizens irrespective of race to reap the benefits of development. The objective of the New Economic Policy was to achieve National Unity through:

(a) Reducing and ultimately eradicating poverty among all the citizens of the country, irrespective of race;
(b) Restructuring society in order to reduce and ultimately eradicate the identification of race by economic function and place of domicile.

Subsequent Plans emphasised this Policy and used it as the major guiding principle in making decisions on programs and project.
9.2.3 **Administrative Machinery in Malaysia**

In order to understand the process of planning and implementation of projects in Malaysia, one has to have an idea of the administrative set-up. Since Malaysia is a federation consisting of thirteen states, there is a division of power between the Federal Government and the thirteen State Governments. All Federal Government policies are implemented through the various Ministries and their departments and agencies. At the same time, the thirteen State Governments handle State affairs.

The Federal Government set-up consists of the Prime Minister's Department headed by the Prime Minister and a number of Ministries which at present totals twenty-four. The composition of the Prime Minister's Department is given in Diagrams 8 and 9 and the list of Federal Ministries is given in Diagram 10.

Under each Ministry, there are a number of technical departments and statutory bodies relating to the subject-matter handled by the Ministry. Each of these technical departments is headed by a Director-General supported by a number of technical divisions and an administrative and finance division.

At the State level, the State Government is headed by the Chief Minister assisted by a State Executive Committee (Exco), which to a certain degree functions as a sort of State Cabinet. There is no ministerial set up at the state level except in the states of Sabah and Sarawak. In each of them there is a State Cabinet consisting of State Ministers.

The administrative head of the State Government is the State Secretary who is supported by an organisation to handle the development and administration of the State. Included in the organisation is the State Financial Officer who is responsible for managing the State funds which accrue in the form of land taxes, royalties from natural resources like timber and minerals and loans and grants from the Federal Government. There is also a State Economic Planning Unit responsible for planning and implementing state-funded projects.
and also coordinating the planning of federally-funded projects in the state. The State Development Officer who is a federal officer responsible to the Implementation Coordination Unit (ICU) of the Prime Minister's Department is also located at the State Secretariat. The function of the State Development Officer is to coordinate federal-funded projects at the state and also act as a liaison officer to foster good relations between the State and Federal governments.

All the technical departments at the federal ministry level that pertain to state matters e.g. agriculture, fisheries etc. and those that are deemed as concurrent activities e.g. drainage and irrigation, public works, education etc. will be replicated at the state level as state departments. In the case of technical departments that deal with purely federal matters e.g. statistics, internal revenue, customs and excise etc., they are present at the state level as federal departments and do not form part of the state establishment. The state departments are headed by the state directors supported by the relevant technical staff and are responsible to both their respective Director-Generals and State Secretaries.

Each state is divided into a number of districts whose administrative head is the District Officer who is responsible for development and all other activities in the District. The District Officer is supported by an organisation at the district level to handle various matters including development, land matters and collection of land revenue, community development, social development, religious affairs and general administration of the district including the management of local town and district councils. The technical departments that are deemed as state departments are also replicated at the district level e.g. Agriculture, Public Works, Health etc. and are headed by district technical officers supported by technical staff to carry out their respective functions and duties. The district technical officers do not come under the direct supervision of the District Officer but their activities are coordinated by the District Officer through the District Action Committee of which he is the Chairman. The various district technical officers are directly responsible to their respective state department directors at the state level.
The districts are made up of sub-districts or **mukims** which are each headed by a **penghulu** who is a civil servant. The **penghulu** has his own administrative set-up. Normally, the **penghulu** does not have much administrative powers but act more as a liaison between the District Office and villagers.

The sub-district or **mukim** is further made up of villages. The number of villages under a **mukim** will depend on the size of the **mukim** and the settlement pattern. Each village is headed by a village headman or **ketua kampong** who is not a civil servant but appointed by the State Government and paid a monthly allowance.

The administrative set-up described above is applicable to the states of Peninsular Malaysia. The set-up in the East Malaysian States of Sabah and Sarawak is slightly different in that there is another level between the District Office and the State Government, called Residency in Sabah and Division in Sarawak. There are five Residencies in Sabah and eight Divisions in Sarawak. Each Division is headed by a Resident supported by an organisation to administer the Division but there is no administrative head for a Residency. The Divisions and Residencies are made up of Districts with their respective mukims and villages. The set-up at these levels are similar to those in Peninsular Malaysia.

For the purpose of planning and implementation of development projects at the state level, there is a system of committees. At the village level, there is the Village Development and Security Committee which is chaired by the village head and consisting of a few village leaders including the **Imam** (religious elder), school headmaster, and representatives of state departments involved in activities in the village. At the next level, i.e. District level, there is the District Development Committee which is chaired by the District Officer and consists of heads of technical departments in the district. Then, at the State level, there is the State Development Committee which is chaired by the State Secretary and consists of heads of departments at the state level. The secretariat to the State Development Committee is the State Development Office which is under the purview of the Implementation Coordination Unit (ICU).
Although technically, these development committees are supposed to plan and implement development projects, their activities are confined to state-funded projects which are often small and minor in nature e.g. construction of village roads or prayer hall, etc. The State Development Officer, in addition to his role of coordinating and monitoring the implementation of federally-funded projects, has an additional task of planning and implementing projects. These are termed as "special projects" which are financed from a special fund that can be termed political in nature since it comes from the Prime Minister, Deputy Prime Minister and Members of Parliament. These special projects are planned by the State Development Office and implemented via the District Offices utilising the system of committees at the various levels.

The federally-funded projects are mostly planned and implemented by the various technical departments at the various levels mentioned i.e. federal, state or district. However, the state secretariats and district offices are kept informed of the plans and sometimes their views on certain matters are sought during the planning stage. But the sole responsibility of planning and implementing the federally-funded projects lies with the relevant departments. In the case of integrated development projects e.g. the Integrated Agriculture Development Projects (IADP's) where a number of departments are involved, the responsibility of planning and implementation lies with the Ministry concerned. During the implementation phase, the State and District organisations are kept informed through the various development committees and their assistance is often sought to coordinate and facilitate implementation especially on matters relating to land which, in accordance with the Federal Constitution comes under State jurisdiction.

9.2.4 Development Planning Process

The system of development planning adopted in Malaysia is the five-year planning cycle system in which a plan is prepared once every five years indicating the various programmes and projects to be implemented during the period. After the five-year plan is approved by Parliament, the ministries and departments concerned can only start the implementation process after obtaining approval from the Federal Treasury on an annual basis. Although
the plan document will indicate the estimated annual expenditure for each project, this is only used as a rough guideline. The ministries and departments will have to prepare annual submissions to obtain approval for project expenditure each year.

In addition, the Government undertakes a mid-term review which is normally conducted during the third year of the plan. During the mid-term review, the progress and performance of the various projects being implemented are reviewed and performance of the various projects being implemented are reviewed in order to determine the necessary changes to be made in terms of scope, elements and allocations of the approved projects. In addition, the general economic situation of the country along with the nation's financial status and also the global economic scenario prevailing at that time are assessed and the necessary alterations regarding policies, programs and projects are made in the original plan.

9.2.5 Process of Planning Development Projects

The focal point in preparing the five-year development plan is the Economic Planning Unit (EPU) in the Prime Minister's Department but a system has been developed in which close consultation with relevant agencies is carried out. Its drafting takes place during the year preceding the start of the plan period and before the drafting, the EPU establishes several Inter-Agency Planning Groups (IAPG's) which are committees consisting of representatives from relevant ministries, department and statutory bodies in specific sectors. The task of these committees is to review policies and implementation of programs during the previous plan and to formulate policies and programs for the coming plan. The secretariat for the various IAPG's is the Economic Planning Unit (EPU).

The planning section of each Ministry and State Governments is requested to present a paper reviewing the implementation of policies and programs during the previous plan based on a format and questionnaire prepared by the EPU. It should also contain the proposed policies and the preliminary programs and projects for the coming five-year plan.
To do this, the Ministry will request the various departments and statutory bodies under their jurisdiction to prepare their proposed policies, programs and projects for the coming plan.

In the case of federal departments which are represented at the state and district levels, this request will then permeate down the line to the district level. The process of project identification and preliminary analysis to prepare project briefs giving initial cost estimates then begins. The process of project identification and preparation can take place at any of the levels of the department i.e. the federal, state or even at the district. This depends to a large extent on the institutional arrangements within the department, their relationship with their respective ministries or even personalities involved, either within the department or outside including politicians at various levels. There is no standard procedure as such for the process of project identification to occur.

The projects requested under the auspices of the federal Ministries at the district level then move up to the department at the state level. Here they are compiled along with project requests from other districts within the state and before these requests are submitted to the department at the federal level, they are referred to the State Planning Unit. This is done to coordinate development within the state and also to avoid duplication as projects can also be requested under the state's submissions.

Once the clearance is obtained at the state level, these project requests are then forwarded to the department's headquarters at the federal level. Here they are compiled along with the requests from the other states, studied and prepared as a submission along with the department's policies to the respective ministries. The Ministry, after having obtained all the submissions from the various departments and statutory bodies under it then studies them and based on these submissions, prepares the documents to be forwarded to the relevant IAPG. In the case of projects requested under the State Governments, the respective State Economic Planning Units compiles the various requests from the state departments and prepares the paper to be submitted to the IAPG.
This paper is then discussed by the relevant IAPG and recommendations are made with respect to resource forecasts, policy targets and macro, sectoral and regional targets. Based on the deliberations of the IAPG, the EFU then prepares a staff paper regarding each sector for the approval of the National Development and Planning Committee (NDPC).

The NDPC is the highest planning committee at the official level. It comprises the Chief Secretary to the Government as the Chairman and the other members include the Economic Advisor to the Prime Minister, the Governor of Bank Negara (the Central Bank), Director-General of the Public Services Department, Director-General of EPU, Secretary-Generals of the Ministries of Finance, Agriculture and Trade and Industry, and the Director-Generals of the Public Works Department (PWD) and the Implementation Coordination Unit (ICU). The secretariat of NDPC is the EPU. The NDPC meets to consider the paper on each sector and approves with whatever amendments that is deemed necessary. Based on the approval of the NPC, the EPU then drafts the chapter on each sector to be included in the planning documents.

Sometime at the beginning of April of the year preceding the start of the proposed plan period, the Ministries, Department, Statutory authorities and State Governments are informed of their allocation under the development plan. Then, between April and June of that year, the various agencies are requested to finalise their submissions.48

These submissions from the various agencies requesting for funds during the coming plan period is submitted to the Economic Planning Unit, the Treasury and the Public Services Department. The representatives from these central agencies together examine the requests and make recommendations based on the implementation capacities of the agencies, the priority ranking of each sector vis-a-vis other sectors, the sector needs and the total public development expenditure proposed for the plan period, to the NDPC Estimates sub-committee, which is a sub-committee of the NDPC.

48 Extracted and modified from a CIRCULAR LETTER to various government agencies from the Director-General of the Economic Planning Unit.
This sub-committee examines in detail the submissions of the various agencies and makes recommendations to the NDPC regarding the allocations to be given during the whole plan period to each agency.

This allocation, together with the policies already approved by the NDPC is included in the chapter on each sector in the plan document and submitted to the National Economic Council (NEC), a sub-committee of the Cabinet. The National Economic Council consists of the Deputy Prime Minister as Chairman, Minister of Finance, Minister of Home Affairs, Minister of Public Works, the Minister without Portfolio in the Prime Minister's Department and the Minister of Trade and Industry. The National Economic Council makes changes it deems necessary to the policies and allocations. If there are any changes, the EPU amends the documents accordingly before the Plan is submitted to the Cabinet. After approval by the Cabinet, the plan document is tabled before Parliament to be debated. The flow of the planning process is given in Diagram 11.

9.2.6 Development Budget Process

Once the Parliament approves the Development Plan, the EPU circulates a list of approved projects to the various agencies. Usually, to facilitate matters, this list of approved projects is circulated even before the development plan is tabled in Parliament because from past experience, it is seen that once the NDPC approves the list of projects, there are very few amendments after that stage especially with regard to the list of projects. Once the agencies receive the list, which by then has already been listed with the ICU Central Computer the agencies will begin the process of bidding for funds under the annual development budget based on guidelines of the Treasury Circular distributed sometime during April each year.49

49 In the case of the funding for the first year of the plan period, where the budget approval has to be obtained in the previous year i.e. the year of plan preparation, the annual budget requirements for development projects are incorporated in the overall plan submissions of the agencies.
The Budget Review Committees (there are a number of committees established to review the various agencies) are comprised of representatives from the Treasury, EPU, ICU and the Public Services Department. For the development budget, the agencies will have to present a report of progress of expenditure for the previous years and the planned expenditure for the following year. The budget requested has to be more realistic and based on better and more up-to-date information unlike the annual estimate made during the preparation of the five year plan. During the examination of the overall five year plan, little attention is given to details such as the projected annual requirements for the project. During the annual budget hearing, the estimates put forward by the agencies comes under greater scrutiny and the agencies have to convince the Budget Review Committee of their capability to carry out the expenditure before it is approved. Since the projected annual expenditure as shown in the development plan are done hurriedly and often roughly since they are not subject to much scrutiny, they tend to be just estimates. Some agencies have the tendency to deflate these figures in order to get their projects approved and once approved, they present more realistic figures during the annual budget hearings. Since the projects have already been approved, the Budget Review Committee has little choice but to approve the annual requests. The amount approved annually are closer to the annual requests rather than the estimates presented in the original plan. Once the budget hearings are completed, the Treasury then prepares the Annual Budget to be tabled before Parliament sometime in October for approval. Once the Parliament approves the annual budget, the agencies can take the necessary steps to begin implementation during the following year.

9.2.7 Implementation Process

The agencies responsible for implementation of projects could be at various levels i.e. the federal, state or district. However, these agencies can only begin the implementation process after obtaining the allocation warrant from the Treasury for disbursement and this normally comes around February to April of the year. This procedure could pose problems for projects that are being implemented by the agencies at the state and district levels. This is because once the ministry receives the allocation warrant which is for all the projects under their purview, it has to break it down according to
agencies under their jurisdiction and issue sub-warrants. This process is then repeated by the agencies down the line until the allocation warrant becomes specific to one single project. This process is time consuming and by the time the projects at the lower levels receive their allocation warrants, it could be as late as July or August resulting in delays in project implementation. This is especially a problem in the case of new projects because the commitments of ongoing projects are usually met.

In the case of large building projects that cost more than M$250,000, there is an additional approval that has to be sought before implementation. This is at the design stage before tenders are called. The detailed designs have to be approved by the Standards and Cost Committee which is chaired by the Deputy Director-General of EPU and members comprising the Deputy Secretary General of Ministry of Finance, Deputy Director-General of the Public Works Department and the Technical Services Director of the EPU.

9.2.8 State-funded and Special Projects

The process of planning and implementation of development projects as described earlier refers only to federal government projects i.e. those funded from federal funds through normal channels and those funded by local or foreign loans. In addition to these projects, there are other development projects which are planned and implemented in the country.

The first category of such projects are state funded projects which normally are minor and small in nature and the number of such projects planned and implemented depends to a large degree on the capacity of state governments to fund them or obtain the necessary loans to do so. In the case of these projects, the State Economic Planning Unit (SEPU) in each state will plan them or the various state departments may be required to do so. The project documents would then be scrutinised by the State Development Committee before obtaining approval for implementation from the State Executive Committee (State Cabinet) and subsequently passed by the State Assembly. After approval, these projects would normally be implemented by the relevant state departments.
The last category of development projects that are planned and implemented in the country are the special projects which are financed from special funds that originate from the Prime Minister, Deputy Prime Minister or the special funds that are allocated to Members of Parliament belonging to the ruling political party. In the case of these projects, the planning is carried out by the respective State Development Officers in the various stages and once approval is obtained from the ICU and the sponsors, they are implemented by the State Development Officers.

9.2.9 Monitoring Project Implementation

The present system of monitoring the implementation of development projects in Malaysia is geared towards achieving the following objectives:

1. To ensure projects meet implementation schedules.
2. To control project expenditure (from exceeding allocated budgets).
3. To identify problems of project implementation (so that can be lessened or overcome).
4. To ensure projects meet their objectives.

These objectives are not new. They were first introduced around 1960, about 30 years ago. Thus, Malaysian monitoring has had considerable continued experience in trying to achieve them. Further, the unchanged objectives have allowed Malaysian administrators to concentrate their efforts on improving a particular set of strategies, i.e. organisational structures, procedures, etc. only. Had the objectives changed repeatedly over the same period, then much additional time would have been needed to devise, select and experiment with new strategies. At this point it should be pointed out that as early as 1966, there were already some people in the public service who felt that the objectives were less than adequate, as the following statement indicates:

"...there is often a temptation to judge results and performance by the amount of expenditure incurred or physical construction targets achieved. This may distort the quality of performance and the purpose of the (five-year) Plan...."

Yet in spite of their reservations, the objectives continued to be pursued. This perhaps is a testimony to their utility. To achieve the objectives, the following set of strategies are set, viz., use

1. An updated and accurate reporting system on the progress of all development projects.

2. Attaching monitoring units to powerful Ministers or Ministries.

3. Forming committees consisting of personnel of implementing organisations and decision-makers.

4. Visitation of project sites by supervising agency personnel and decision-makers.

**Updated and Accurate Reporting System**

Reporting on the progress of projects is a crucial component of monitoring. More importantly, for the reporting to be useful to monitoring, the reported data have to be as current and accurate as possible. Hence the adoption of this strategy.

The current planned reporting system is a complex network of reporting channels, some vertical in nature, others horizontal.

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One vertical channel involves reporting upwards within the ministerial hierarchy. Thus, if the implementing unit is a district level organisation it will report to its state-level superior. The latter in turn report to its federal headquarters which in turn reports to its supervising ministry. There are, however, exceptions to this arrangement. In cases of large projects, the practice of project personnel has been to report direct to their federal headquarters or ministry, by-passing their district or state offices.

Another vertical channel comprises the Implementation Coordination Unit (ICU) and its sub-national offices. Within this set-up, the planned reporting line is from the District Office to the State Development Office and thence to the ICU.

With regard to horizontal channels, the system requires implementing organisations at each level of administration to report to the relevant office of the ICU hierarchy. Thus, district level organisations report their progress to the District Office, state level organisations to the State Development Office and federal level organisations to the ICU through their ministries.

Each District Office, in turn present the reports it receives to a multiagency committee called the District Action Committee (DAC). At the state level, each State Development Office services a State Action Committee (SAC) with progress reports on projects in the state. Finally, at the national level, the ICU, acting as secretariat to the National Action Council (NAC), reports to it the progress of the projects in the nation.52

The formal reporting channels described above form the core of the nation's project monitoring system. But they do not provide the total picture of the monitoring that takes place. There are at least three other management processes which contain elements of monitoring, viz., national economic development planning, annual budget allocations and fund disbursements.

52 A more detailed description of the NAC, SAC and DAC will be presented in the following sections.
The national economic development planning process requires Ministries to, inter alia, report to the EPU the progress of their Five Year Plan projects once after the second year of the Plan period and once at its end. In the first instance, the reports are meant to aid the EPU to carry out a mid-term review of the Plan's progress and introduce remedies, if necessary. In the second instance, the reports are meant to aid the EPU in deciding if unfinished projects can be continued in the next plan.

The annual budget allocation process requires Ministries to submit requests to the Budget Division of the Treasury for annual budgets to, among other things, finance their projects (including those of departments and statutory authorities under them). In this process, the question of the progress of implementing their projects invariable comes under scrutiny, although the focus is largely on the reasons for under-spending or over-spending the projects allocated budget for the previous year.

The fund disbursements process requires Ministries (including departments and statutory authorities under them) to obtain actual moneys from the Accountant-General's Office to pay for completed portions of projects. In this process, the actual progress of project implementation (plus a slight time-lag for preparing payment request documents) during the year is revealed and considered an input to monitoring.

Until March 1984, the four reporting or data systems existed separately causing overlap in generation of certain data. Since that date however, a new, integrated computerised system was introduced to cut down the reporting workload and make available the hitherto disparate data systems to all monitoring and implementing departments and ministries. Named SETIA (System Economic Planning Unit, Treasury, Implementation Coordination Unit, and Accountant-General's Office), it demands implementing agencies/ministries, in accordance with stakeholder requirements, to input project data directly into SETIA terminals. The data to be inputted are set by four forms viz (also see Diagrams 12-15):-
1. S1 Form: Data pertaining to project approval - to be inputted by Ministries.

2. S2 Form: Data pertaining to yearly budget allocations projects - to be inputted by Ministries.

3. S3 Form: Data pertaining to monthly progress of project being implemented - to be inputted by implementing agencies (through State Development Office).

4. Payment Voucher Form: Data pertaining to periodic payments for stages of projects completed - to be inputted by Ministries.

All these data are transmitted to and stored in the SETIA database in the ICU. The integrated data are accessible to all ministries and their implementing agencies, the SDO offices and the central agencies such as the Treasury, EPU, etc.

Finally, there is yet another computerised reporting system in use presently. Called PEMANES, it is set up to monitor the performance of about 900 companies or public enterprises in which the government holds equity. The system is a joint effort of the ICU, the Ministry of Public Enterprises and the National Equity Corporation.

It is easy to see that the existing reporting system of project implementing is a fairly comprehensive one. Not only that, the move to computerisation and integration is obviously in the right direction. However, a monitoring system cannot function on comprehensive reporting alone. Reportings have to be complemented with other support activities. One of them is providing monitoring function with necessary political clout.

**Placing Monitoring Function under a Powerful Minister/Ministry**

As pointed out earlier, the major portion of the monitoring project implementation is entrusted to ICU. The ICU it should be noted is under the
Prime Minister's Department - the most powerful ministry in the whole government system. Further, the NAC, whose secretariat is the ICU, has the Prime Minister as its chairman and Cabinet Ministers and top civil servants as its members. At the state level, the SAC is chaired by the Chief Minister while at the district level, the DAC is chaired by the District Officer (DO) - a civil servant normally the person with the most authority in the district.53

The point to note here is the leadership role accorded to powerful and influential persons in the monitoring system of Malaysia. The arrangement is not fortuitous but deliberate and borne out of long experience. When the initial monitoring system was first installed 30 years ago, the man who installed it and made it work - who utilised data on shortcomings in project implementation to correct and overcome them - was none other than the then Minister of Rural Development, Tun Abdul Razak, who was also the Deputy Prime Minister (and later the Prime Minister). This point was not missed by designers of the monitoring system who later moved the monitoring function to the Prime Minister's Department to make it even closer to the main centre of power and there it has remained to this day.

One final point needs to be made in this regard. In order to provide monitoring with necessary clout all the monitoring organisations such as EPU, Budget Division and Accountant-General's Office whose work contain elements of monitoring, are all attached to the Prime Minister's Department.

53 The DO's chairmanship of the DAC is anomalous to the arrangement at state and federal levels but is necessitated by the absence of a "District Minister" in the Malaysian government system.
Forming Committees consisting of Personnel of Implementing Organisations and Decision-Makers (Linking Monitoring with Problem-Solving Initiatives)

Accompanying the preceding strategy is another strategy designed to maximise the use of monitoring data. It takes the form of periodic meetings of the National Action Committee (NAC), State Action Committee (SAC) and District Action Committee (DAC).

The meetings are now held monthly to listen to briefings by the head or representative of implementing organisations on the progress of projects that they are implementing and the problems of any, that they are facing. If there are problems, then the council/committee members will decide on ways to overcome them. Then, the implementing agencies are directed to try out the suggestions and to report back to subsequent meetings.

The meetings serve at least three purposes. They reveal project problems identifying the agencies/persons responsible for them. These Monitoring meetings ensure participation of all heads of organisations that are involved in the project. These management meetings are extremely effective in the way of ensuring on the one hand, management accountability and on the other, implementation facilitation. The other purpose served by the meetings is less obvious and more subtle and psychological in nature. Heads of organisations implementing the projects are driven to ensure that they are on schedule and trouble-free as far as possible to avoid being criticised by the Prime Minister for instance, in front of their counterparts during meetings.

It should be mentioned here that in the 1970's, the meetings were held more frequently, i.e. weekly. At that time, at the national level, often only the Executive Committee (Exco) of the NAC, comprising the Prime Minister, his Deputy and a few other Ministers and top civil servants met to listen to briefings by one or two federal heads of department on the progress and problems of their projects. Further, Tun Abdul Razak made it a point then to continue a practice he had begun in the late 1950's i.e. attending sessions of the SAC's and even DAC's (and before that the State and District Rural Development Committees) often at short notice. The personal and real
interest demonstrated by this man towards project implementation had the desired effect of putting everyone involved on their toes.

Tun Razak's successors continued this practice but at a less frequent rate. Several factors can be identified to account for it. Firstly, national development became more varied and complex and not merely a matter of physical projects but also of values and attitudes. The Prime Minister and Cabinet Minister have to spread their time to do many new things. Secondly, the move towards computerised data banks on projects such as SETIA meant that if they need to know about the projects the data can be accessed immediately without having to be briefed at a specially convened meeting. Thirdly, Tun Razak was unique in that he was totally committed to and enthusiastic about development in the sense that he was willing not only to pump money into it but also to personally visit all districts in the country to check on the progress of projects. His successors did/do not share the same degree of commitment and enthusiasm even though they have pumped a greater amount of funds for rural development.

**Visitation of Project Sites by Decision-Makers and Supervising Agency Personnel**

This is the fourth strategy of the monitoring system. Periodically and at times at short notice the Prime Minister, other Cabinet Ministers, Chief Ministers and senior civil servants visit project sites to see with their own eyes the progress made. Again, this current practice is a carry-over from Tun Razak's days, when the visits were more frequent.

In effect, the visits serve as a check on the accuracy of the data reported presented through the reporting channels and act as the briefings to the NAC, SAC's and DAC's. Without them, there is a likelihood that reported data on progress of implementation might not tally with reality.
9.2.10 Some Methodological and Organisational Weaknesses present in the Malaysian Monitoring System

The four strategies mentioned above have contributed significantly to Malaysian monitoring objectives. They have enabled decision-makers to obtain a detailed picture of the progress and problems of projects being implemented and to introduce the needed corrections. However, the system is far from perfect, especially in its actual workings. Its flaws include the following:

(a) the absence of real time data in the computerised data bank;

(b) the absence of a fail-safe system of verifying the accuracy of progress reports on projects.

(a) Absence of Real Time Data

Capturing of real time data on the progress of projects for obvious reasons, is vital in any monitoring process. However, this is at times difficult to achieve. A more realistic expectation is to have the data as current as possible. Unfortunately, this is evidently not the case in the Malaysian monitoring system. All four reporting channels of the SETIA capture periodic data only, with the ICU portion designed to have the most frequent updating, viz., monthly. However, in practice this is not the case. The monthly updating schedule cannot be consistently met at its most important inputting point, i.e. the offices of the SDO’s. One major reason for it is the inability of some implementing agencies at state and district levels to submit on schedule the monthly data because they do not have enough personnel to monitor all their projects and to submit progress reports on them.54

54 In fact, as far as the SDO’s Offices are concerned, the problem is not merely one of delayed submission. A more troubling problem is the failure of a number of implementing agencies to formally inform the SDO’s of some (a few) of their projects. They bypass the SDO’s and report directly to federal headquarters. Nevertheless, it should be noted that for the system as a whole, there is no loss of data. The data are still captured at the federal level.
(b) Absence of a fail-safe system of verifying accuracy of progress reports on projects

The efficacy of a monitoring system is dependent upon accurate data on the monitored projects. To ensure accuracy, a fail-safe verification of reported data is imperative. In Malaysia, the verification process has depended largely upon site visits by decision-makers and supervising agency personnel. As long as such visits are frequent and the visitors are very powerful, the strategy can work. This happened in the 1960's and 1970's. However, the situation is different now. The visits are less frequent and less powerful men make most of the visits. Thus, there is no real check on data accuracy and the system can be said to depend very much on the integrity and ability of the men doing the reporting to report accurate data.

9.2.11 Monitoring Project Sustainability

Most of the discussions on monitoring earlier has centred around implementation monitoring. During the implementation phase of projects, especially the large ones which require the involvement of a number of agencies, special project management units or project coordinator's offices are established to ensure smooth and speedy implementation. Much emphasis is placed by all concerned on completing the project in time and within the estimated cost and so monitoring activities are given great attention.

Once the projects are completed, they are normally handed back to the line agencies to operate and maintain and they become subsumed into normal activities of the agencies concerned. The agencies obtain their funds for operation and maintenance through the normal procedures involving annual budget requests to the Treasury. At the annual budget hearings for operational funds, there are no formal requests regarding the department's progress in conducting its activities unlike the hearings for development expenditure where past financial and physical progress is sought. However, the agencies are required to give justifications for their requests for revenue budget.
Currently, sustainability monitoring by the government agencies is limited to "fire fighting" or problem-solving activities. The line departments at the lowest level, which in most cases is the district, in their day-to-day activities keep tabs on their areas to ensure a problem-free environment. If problems are detected, they try to solve them internally at that level. If this is not possible and if the problems are interdepartmental, it is discussed at the District Action Committee and if it cannot be resolved at this level, it moves even further up the formal channels until a solution is obtained. If the problems are more technical in nature relating to the agency's own functions, it moves up to the strata within the agency for a solution. It can thus be concluded that in most of the government agencies, sustainability monitoring activities are confined to problem-solving in order to ensure that these problems are resolved as soon as possible.

However, there are a few agencies in Malaysia that conduct sustainability on a formal and regular basis. One group of such agencies are those which are solely responsible for integrated agriculture development projects such as the Muda Agriculture Development Authority (MADA) and the Kemubu Agriculture Development Authority (KADA).

The Muda Irrigation Project was the first integrated agriculture development project to be undertaken by the government and it was financed with a loan from the World Bank. The implementation of the project started in 1967/68 and was completed in 1972. During the initial stages of project implementation, a project coordinator's office was established to ensure the coordination between the various implementing agencies to ensure smooth implementation. Since this was the first major irrigation project to be implemented within the country with a loan from the World Bank, its successful implementation was accorded the highest priority. When it was detected that the organisation of the project coordinator lacked the authority to ensure smooth implementation, a statutory agency directly under the federal government, the Muda Agriculture Development Authority (MADA) was established in 1970. The project was successfully completed in 1972 but MADA remained to manage the project. At about the same time, there was another similar project being implemented in the country i.e. the Kemubu Irrigation
Project which was also being financed by the World Bank. Here too, a statutory agency similar to MADA, the Kemubu Agriculture Development Authority was established by the Federal Government.

The two agencies, after having been established during the implementation phase of these projects, have remained to manage the project areas which are the two biggest rice producing areas in the country. The system of sustainability monitoring has become part of the agencies' functions to maintain the efficient delivery of inputs such as water and others in order to ensure the efficient production of rice and also the well being of farmers in their respective areas. The information that is obtained from the monitoring activities are directly utilised by the management of these organisations to efficiently manage the schemes. It has also assisted MADA to identify some of the weakness of the water delivery system of the original project and so a new project MADA Phase II was planned and implemented in the early 1980's to overcome these shortcomings.

After the success of the two integrated agriculture development projects at Muda and Kemubu, the government embarked on several other Integrated Agriculture Development projects (IADP's) in the country. However, due to the high cost of establishing federal authorities and other problems relating to federal/state relationships, it was not possible to establish authorities like MADA and KADA to implement these IADP's. As an alternative, IADP project offices were established directly under the Ministry of Agriculture to implement these projects which were mainly financed through loans from agencies such as the World Bank and the Asian Development Bank. Most of these IADP project offices have initiated sustainability monitoring activities as the projects are progressively being completed. This is mainly because such data are necessary to produce the progress reports and project completion reports in accordance with the donor's requirements. However, the Ministry of Agriculture, having had the experiences of MADA and KADA, is currently planning to establish Project Management Units (PMU's) to manage the IADP's once the projects are completed. If this is implemented, then these PMU's will be required to undertake sustainability monitoring activities.
The other set of agencies that conduct some form of sustainability monitoring are the land development agencies such as the Federal Land Development Authority (FELDA) and the Federal Land Development and Consolidation Authority (FELCRA). In the case of FELDA, the agency develops virgin jungle land into land schemes planted with commercial crops such as rubber, palm oil and cocoa. Besides developing the crops, FELDA also develops the settlement area with houses, basic amenities and also other physical and social infrastructure. Once the schemes are ready, the selected settlers are brought in and each settler is given a house with a house lot and an equal portion of the cropped land. The cost of developing the land scheme is borne by the settlers and is treated as a loan to the settlers, repayable with interest over a fixed period time. The settlers have to start repaying the loan once the scheme comes into production. FELDA corporations handle the processing and marketing of the outputs from the schemes and part of the payments to the settlers for their produce is retained by FELDA as repayment for the loans given to them. As such, it is in the interest of FELDA to monitor the progress of the land development schemes. Although the settlers technically own the schemes, FELDA manages the schemes just like any other plantation. As such, all activities relating to production are closely monitored by FELDA management to ensure the efficient operation of their schemes. In addition, FELDA does the monitoring of non-production activities such as social development and other such activities but not as rigorously or periodically as is the case with production-related activities.

FELCRA's activities are slightly different to those of FELDA in that they are involved in rehabilitation and consolidation of alienated land but they also treat development costs as loans to their participants. As such, FELCRA is also involved in monitoring the production related and non-production related activities within their schemes.

**Sustainability Monitoring Approach of Muda Agriculture Development Authority (MADA)**

The principal operational role of MADA is to ensure maximum production of rice from the MADA area through the efficient management of resources and i
the process assist the farmers involved to maximise their incomes from the farming sector. In addition, MADA is also charged with the responsibility of bringing about general economic development within the area. Consequently, the sustainability monitoring activities of MADA are geared towards meeting the needs of the agency's operational role, and therefore are organised along functional lines.

The engineering section of MADA is charged with the responsibility of managing and operating the irrigation system. As such, they constantly monitor the water supply situation to determine the availability of water supplied to the padi fields. The rainfall and water flow in the main channels are monitored daily by telemetric equipment and the information is input directly into the main MADA mainframe computer. Based on this information, the irrigation schedule is drawn up for the different areas within MADA. The area being irrigated is also monitored by the ground staff. The data on area planted and the status of field operations is collected and reported once every two weeks using standard formats and maps. This information is cross-checked by the engineer in charge of the area and/or his staff. This information is discussed by the sub-committee on irrigation and planting and a report is produced bi-weekly. This report is tabled at the MADA senior officers' management meeting which is conducted once every two weeks. Based on this data, MADA is also able to forecast the harvesting patterns by areas for the planting season. This information is made available to the National Padi and Rice Board (LPN) which is the agency responsible for the purchase, drying and milling of the padi. Information on the forecasted harvesting pattern is also made available to the sub-committee on labour and manpower which estimates the labour requirements for the various farm operations. If a shortage of labour is forecasted, then MADA contacts labour brokers to bring in imported labour from Southern Thailand to ensure that the harvesting operations are not hampered.

The responsibility of the Agriculture Division of MADA is to attempt to maximise output and prevent losses due to pests and diseases. In order to fulfil this role, the agriculture division maintains a crop monitoring and evaluation system which includes crop/pest surveillance where sweeps and light traps are used and results are collected daily. This information is
discussed by the Pest and Disease Monitoring Sub-Committee which produces a weekly report that is tabled at the bi-weekly MADA senior officers meeting. If there are indications of impending pest or disease incidence, the information is fed back to the farmers by the extension staff in order that the necessary preventive action may be undertaken. The Agriculture Division also initiates pilot projects where groups of farmers are organised to utilise modern technology to maximise yields. The progress of these pilot projects are monitored by the sub-committee on pilot projects and the progress is reported at the MADA Senior Officers' meeting.

With regards to MADA's role in assisting farmers to increase their incomes and thereby attain better standards of living, the Planning and Evaluation Branch of MADA undertakes the monitoring of socio-economic indicators. The production of padi, cost of production, padi prices and padi yields are monitored each season. The data is collected from the same sample using standard formats by the field staff and the data is analysed using personal computers and reports are produced at the end of each season. This practice has been in existence in MADA for the last twenty years. In relation to the monitoring of the socio-economic status of the farmers in the MUDA areas, socio-economic surveys incorporating income and expenditure patterns are carried out from time to time. The first such survey was done in the MADA area by the FAO/IBRD sponsored Muda River Study in 1972/73 and this provided a good data base for the area. Since then, a similar study was done in 1981 prior to the preparation of the Muda Phase II project for financing from the World Bank. Subsequently, the exercise was repeated to two years i.e. 1981/82 and 1982/83 after which it was stopped for a period of two years. The studies resumed in 1986/87 and are currently conducted every year.

In these studies, a fixed sample of 300 to 400 farmers with provisions for replacements are interviewed bi-weekly using a standard questionnaire. Data relating to all aspects of production, income and expenditure patterns are collected, analysed and reports are produced yearly. The information is utilised by the management to identify weakness and also to identify projects that could be initiated to assist farmers to increase their incomes. As an example, the studies identified a group of farmers who were still below the
poverty line 55 and about 7% of them were categorised as those who would respond to opportunities. Therefore, contract works or minor clearing were given to them by MADA to assist them to increase their incomes.

Most of the data obtained through these monitoring exercises are utilised by the management of MADA to upgrade their services to the area. However, MADA does receive requests from the Ministry of Agriculture and control agencies like the EPU and ICU from time to time for such information.

9.2.12 Evaluation of Project Impact

A project impact evaluation system of the same magnitude as the project monitoring system does not exist in Malaysia. The system that exists focuses more on policies and programs: it does not attempt to assess the impact of each and every project. Typically, only the big and international agency-funded projects are subjected to such measurements. However, this does not mean that the impact of other projects are not measured at all. Often impact evaluation of policies and programs at times covers projects which sometimes form important aspects of policies and programs.

In the Malaysian governmental machinery, the task of evaluating program and policy impact is formally assigned to the Socio-Economic Research Unit (SERU) of the Prime Minister's Department. The main objective of SERU is "to evaluate the socio-economic impact of national development program and policies". The findings of the evaluations are then to be used for the purposes of planning, implementation and supervision.56

55 The estimated poverty line by the government is an income of M$350 per month.

To achieve this objective, SERU has adopted four major strategies, viz:-

1. carry out its own evaluation studies;
2. coordinate and control research; undertaken by individuals or local and foreign institutions;
3. assist and provide technical advice to government departments and agencies on proper ways to carry out their own research; and
4. informing decision makers and relevant departments and agencies of research findings.

**Carry Out Own Evaluation Studies:**

SERU conducts evaluation studies either on its own initiative or at the request of the Government or government departments or agencies. Some of the studies are joint efforts with others. As an indication of its research workload, between 1982 and 1986 (five years), it initiated and conducted an average of 47 studies a year.57

The studies are not, however, confined to impact evaluation. For example, in 1984, out of 47 (planned) studies, only 10 seemed to have been of such a nature.58

Further, out of the 47 studies, only 11 were initiated by the SERU. The rest were initiated at the request of other government departments and agencies as well as international bodies such as UNICEF (one) and FAO (one). Furthermore, out of the 10 impact studies, only one was initiated by the SERU.

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58 It cannot be verified if all of them were actually carried out in 1984. These figures indicate that the SERU's strategy of carrying out its own impact studies could not be carried out fully at least in 1984, owing to the pressure to conduct other types of research. In effect there very little impact studies are conducted.
These figures indicate that the SERU’s strategy of carrying out its own impact studies could not be carried out fully at least in 1984, owing to the pressure to conduct other types of research. In effect then very little impact studies are conducted.

**Coordinate and Control Research of Individuals and Institutions:**

Apart from SERU, there are other agencies who are also interested in conducting research on several development issues including impact evaluation. The findings of these research works can also provide important inputs into the impact of Malaysian development. Hence, SERU’s role as co-ordinator of research of external agencies is likely to ensure collation and synthesis of several research finding assisting planning and implementation in the country.

In 1986, the SERU received and processed 176 applications to conduct research in Malaysia whilst the figure for 1987 was 180. However, no data are available on the number of applications that were approved. There is also no available data on the number of impact studies among the applications. Finally, it is not known if the findings of completed research are found to be useful for planning, implementation, etc.

**Assist and provide technical advice on research to other Government Departments and Agencies:**

This strategy is designed to upgrade the quality of research, including impact studies, conducted by other government departments and agencies. Its existence indicates the realisation that the SERU alone cannot be expected to conduct all impact studies. It also is based on the assumption that the SERU is capable of giving technically competent advice on research.

There are no available data on the number of studies that the SERU has given advice on.
Informing Decision-Makers and relevant Departments and Agencies of Research Findings:

This strategy is designed to maximise the possibility that research findings are put to practical use in future planning implementation, etc. They are transmitted normally in the form of reports and discussion with decision-makers and relevant departments and agencies. In this regard, the fact that a major portion of the SERU's studies are requested by outside departments and agencies is a plus factor. It facilitates the otherwise difficult part of research i.e. to get affected parties to at least look at the findings. In the SERU's studies, since they made the requests, they are more likely to do so. Whether they accept and act on the findings is of course another matter.

Some Comments on the Impact Evaluation System

The glaring lack of available literature and data on the Malaysian impact evaluation system makes it difficult to make strong comments about the system. Perhaps this itself is a reflection of the relatively low position of impact evaluation in Malaysian administration. In spite of the data and information paucity however, some comments about it can still be forwarded. They pertain to the following matters, viz:-

1. the failure to focus on project;
2. the absence of standard measures or indicators of impact;
3. the lack of technical expertise in evaluative research.

1. The failure to focus on projects

The present system focusses on programs and policies. Even though they incorporate projects, they cannot produce desegregated data on the impact of each project. Thus, we cannot learn about the impact of each project whereas such data are imperative to decide on whether it should be continued, modified or terminated for other localities.
2. **The absence of standard measures or indicators of impact**

For the purposes of inter-project comparisons, their impact should be measured using the same measures or indicators. Such comparisons are necessary to help decision-makers select the most effective projects only, in future. For instance, all projects can be compared on the basis of their contributions to the objectives of economic growth, restructuring of society and national unit (the three pillars of the NEP) using agreed upon indicators of the three variables. Such a framework does not exist yet.

3. **The lack of technical expertise in evaluative research**

Evaluative research is founded upon the theory of casual relations and sampling theory, among other things. In the first instance, it must be shown that the project being evaluated has really had the observed impact. This means that the researcher must determine that the impact is not the result of some other factor(s). This requires technical competence in research designs.

In the second instance, the researcher must restrain himself from generalising his findings to populations other than the one from which his sample was drawn. This requires technical competence in sampling theory and design.

Both these requirements do not seem to have been met in the research projects of SERU as presented in some of its research reports.59

The flaws of the evaluation system clearly point to the need for changes to be made so that it can at least match the level of the monitoring system.

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59 Provisions of the Official Secrets Act prevent the divulgement of the contents of these reports which are classified material.
PRIME MINISTER'S DEPARTMENT

Coordinates the General Policies of the Government

- Administrative & Finance Division
  - Deals with the whole administration & service of the P.M's Department

- Cabinet Division
  - Secretariat to the Cabinet

- Ceremonial Division
  - Respon. for ceremonial Affairs

- Federal Translation Bureau
  - Respon. for translation of official documents

- Management of Government Buildings
  - Maint. of govt. houses & official residences

- National Family Planning Board
  - Respon. for implementing population and family development programs

- Religious Affairs Division
  - Respon. for matters relating to Islam

- ECONOMIC PLANNING UNIT (EPU)
  - Central Staff Agency of govt. for planning national economic development

- IMPLEMENTATION COORDINATION UNIT (ICU)
  - Coordinate the effective Implementation of govt. policies and projects

- MALAYSIAN ADMINISTRATIVE AND MANPOWER PLANNING UNIT (MAMPU)
  - Respon. for administrative planning, modernisation management consultancy & coordination of manpower planning and development

- SOCIO ECONOMIC RESEARCH UNIT (SERU)
  - Conduct investigations of National Socio Economic issues

SOURCE: INFORMATION MALAYSIA, 1986 YEAR BOOK
Main Functions of the Public Service Department

(i) To implement policies and programmes on recruitment, appointment, promotion and discipline in the public service;

(ii) To create posts and review the organisational structure of government departments in order to achieve efficiency in Government administration;

(iii) To implement policies with regard to pay, allowances and other prerequisites for the public service;

(iv) To implement programmes on manpower planning and training in the public service;

(v) To administer legislation pertaining to pension and superannuation benefits in the public service, including Service Commissions established under the Federal Constitution.

SOURCE: INFORMATION MALAYSIA, 1986 YEAR BOOK
LIST OF MINISTRIES IN MALAYSIA

1. MINISTRY OF FOREIGN AFFAIRS
2. MINISTRY OF HEALTH
3. MINISTRY OF HOME AFFAIRS
4. MINISTRY OF HOUSING AND LOCAL GOVERNMENT
5. MINISTRY OF INFORMATION
6. MINISTRY OF JUSTICE
7. MINISTRY OF LABOUR
8. MINISTRY OF LAND AND REGIONAL DEVELOPMENT
9. MINISTRY OF NATIONAL AND RURAL DEVELOPMENT
10. MINISTRY OF PRIMARY INDUSTRIES
11. MINISTRY OF PUBLIC ENTERPRISES
12. MINISTRY OF SCIENCE, TECHNOLOGY AND ENVIRONMENT
13. MINISTRY OF TRADE AND INDUSTRY
14. MINISTRY OF TRANSPORT
15. MINISTRY OF CULTURE AND TOURISM
16. MINISTRY OF WELFARE SERVICES
17. MINISTRY OF WORKS
18. MINISTRY OF FEDERAL TERRITORY
19. MINISTRY OF ENERGY, TELECOMMUNICATIONS AND POSTS
20. MINISTRY OF EDUCATION
21. MINISTRY OF AGRICULTURE
22. MINISTRY OF YOUTH AND SPORTS
23. MINISTRY OF DEFENCE
24. MINISTRY OF FINANCE
STAGES IN THE PROCESS OF
NATIONAL DEVELOPMENT PLANNING

PARLIAMENT

CABINET/NATIONAL ECONOMIC COUNCIL (NEC)

NATIONAL DEVELOPMENT PLANNING COMMITTEE (NDPC)
(SECRETARIAT: EPU)

ESTIMATE SUB COMMITTEE
OF NDPC
(SECRETARIAT: EPU)

INTER AGENCY PLANNING GROUP (IAPG)
RESOURCE FORECASTS, POLICY TARGETS,
MACRO TARGETS, SECTORAL TARGETS,
REGIONAL TARGETS
(SECRETARIAT: EPU)

CENTRAL AGENCIES: (PSD, TREASURY)
PROJECT EVALUATION AND SELECTION
FITTING PROGRAM INTO POLICIES
(SECRETARIAT: EPU)

FEDERAL MINISTRIES/DEPARTMENTS
PROJECT IDENTIFICATION AND
ANALYSIS ACCORDING TO SET
CRITERIA AND POLICY GUIDELINES

STATE ECONOMIC PLANNING
UNIT (SEPU)
DETERMINE STATE
PRIORITIES AND
STATE PLANS

FEDERAL DEPARTMENTS AT STATE
LEVEL
PROJECT IDENTIFICATION AT
STATE LEVEL
PRELIMINARY PROJECT ANALYSIS
(FEDERAL SUBJECTS)

STATE DEPARTMENTS
(STATE SUBJECTS)
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## ABP1:S2 FORM SETIA

### 1.0 BASIC PROJECT INFORMATION

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### 2.0 PROJECT ALLOCATION INFORMATION

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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>PROJECT NUMBER</td>
<td>PROJECT NAME</td>
<td>PROJECT SCOPE</td>
<td>PROJECT OBJECTIVE</td>
<td>Actual Estimated Expenditure 1986</td>
<td>Estimated Expenditure From Year 19 To Completion</td>
<td>Initial Allocation</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

### 3.0 CONFIRMATION OF REPORTING OFFICER

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>31 NAME OF OFFICER</td>
<td>32 DATE</td>
<td>33 TELEPHONE</td>
<td>34 SIGNATURE</td>
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**DIAGRAM 13**
S3 FORM SETIA (For Manual Reporting)

<table>
<thead>
<tr>
<th>PROJECT NUMBER</th>
<th>PROJECT NAME</th>
<th>STRT DATE</th>
<th>COMP DATE</th>
<th>STAGE</th>
<th>% COMP</th>
<th>IMPLEMENTATION PROBLEM ISSUE</th>
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NAME OF REPORTING OFFICER: ___________________________ TELEPHONE: __________

OFFICE ADDRESS: ___________________________ DATE: __________
## DIAGRAM 15

### FOR ACCOUNTANT GENERAL

<table>
<thead>
<tr>
<th>TYPE</th>
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<table>
<thead>
<tr>
<th>DEPT CODE</th>
<th>Department Name</th>
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</table>

<table>
<thead>
<tr>
<th>RC CODE</th>
<th>Responsibility Centre Name</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Cheque Subject</th>
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</table>

<table>
<thead>
<tr>
<th>IC Bank Account Number</th>
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</table>

<table>
<thead>
<tr>
<th>Address - Bank Name</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Subject</th>
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</table>

### ORDER APPROVAL

<table>
<thead>
<tr>
<th>Date</th>
<th>Reference No</th>
<th>AMOUNT</th>
<th>Sent</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Reference No</th>
<th>AMOUNT</th>
</tr>
</thead>
</table>

**Total**

### SUPPLIERS INVOICE

<table>
<thead>
<tr>
<th>Reference No</th>
<th>AMOUNT</th>
</tr>
</thead>
</table>

**Total**

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**EXPENDITURES INCLUDED INTO THE ACCOUNTS BELOW**

<table>
<thead>
<tr>
<th>VOTE</th>
<th>1DEPT</th>
<th>RC.CC</th>
<th>PROG ACT</th>
<th>THURST</th>
<th>SETIA</th>
<th>PROJECT</th>
<th>CP</th>
<th>OBJECT</th>
<th>AMOUNT</th>
<th>USER DEPT CODE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Grant Total</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Number</th>
</tr>
</thead>
</table>

| Subsides Acc: |

**AMOUNT (in Words):** Ringgit
PHILIPPINES 60

9.3 General Country Scenario

The Philippines, one of the largest island-groups in the world, with 7,100 islands and rocks above water, is bounded in the east by the South China Sea, in the west by the Pacific Ocean, in the south by the Sulu and Celebes Seas, and in the north by the Babuyan Channel. It has a total land area of 300,000 square kilometers, 93.5 percent of which is contained within the eleven (11) largest islands. The country is divided into three (3) major islands groups: Luzon, Visayas and Mindanao. These groups are further subdivided into regions (13 regions, including one (1) covering the capital city called Metropolitan Manila Area or National Capital Region); regions into provinces; provinces into cities and municipalities. Cities and municipalities are also divided into barangays or villages. There are at present 73 provinces, 60 cities, 1,493 municipalities and 42,000 barangays.

With a Gross National Product (GNP) of P706.3 Billion at current prices, it grew at the rate of 5.7 percent in 1987 and about 6.9 percent in 1988. The per capita GNP at current prices is recorded at P12,313 in 1987 and about P13,825 in 1988. The percentage distribution of the Gross Domestic Product in 1987 is as follows: Agriculture, Fishery and Forestry (28.5); Industry (32.0) with Mining and Quarrying registering a growth of 1.6, Manufacturing at 24.2, Construction at 4.1 and Utilities at 2.0; and Services (39.6). The population is growing at an average of 2.3 percent per year with an estimated population of 58.7 million in 1988. Unemployment rate is recorded at 10.6 percent in 1988 and underemployment rate is about 31.7 percent during the same period. The incidence of poverty was about 58.9 percent in 1985 or about 5.80 million and declining as the economy is improving. Life expectancy at birth is 64 years in 1988 and increasing further. Crude death rate and crude birth rate are falling and recorded at the rate of 7.6 per 1,000 and 31.3 per 1,000, respectively. Literacy rate is about 88 percent in 1989.

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60 Mr.Edgar Callanta, a private consultant prepared this paper. Mr.Callanta mainly discussed the monitoring and evaluation issues concerning the social sector.
Under the 1986 Constitution, the government has three (3) branches, namely: executive, legislative and judiciary. Under the present administration, there are about 11 line departments and 6 service departments in the executive branch. These departments differ in their geographical presence although they operate nationwide. For example, the Departments of Agriculture; Education, Culture and Sports; Environment and National Resources; Finance, Health; Justice; Local Government; National Defence; Public Works and Highways; Social Welfare and Development; and Agrarian Reform have branches or extension offices up to the municipal level. Others have offices only up to the regional or provincial level. For example, the National Economic & Development Authority [NEDA] (region), Department of Budget and Management [DBM] (region), Department of Foreign Affairs [DFA] (some regions only), Department of Labour and Employment [DOLE] (province), Department of Science and Technology [DST] (region), and Department of Trade and Industry [DTI] (region). Structure-wise, these departments follow the levels presentation below (Table 6).

**TABLE 6**

<table>
<thead>
<tr>
<th>Level</th>
<th>Department (Example)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National/Central</td>
<td>Department of Health (DOH)</td>
</tr>
<tr>
<td>Regional</td>
<td>DOH-Regional Offices (In 13 Regions located in Regional Centres)</td>
</tr>
<tr>
<td>Provincia</td>
<td>DOH-Provincial/City Health Offices (133)</td>
</tr>
<tr>
<td>Municipal</td>
<td>DOH-Municipal Health Offices</td>
</tr>
<tr>
<td>Highways</td>
<td>DOH-Barangay Health Stations</td>
</tr>
</tbody>
</table>

All line and service departments have regional offices headed by a Regional Director and assisted by about 30-50 technical and support staff. These regional directors report directly to the head of the department (secretary and/or the concerned undersecretaries. On the average, there are three-five undersecretaries per department.
At the regional level, all department Regional Directors are automatically members of the Regional Development Council (RDC). Under the new administration, the RDC membership has been expanded to include not only the provincial governors, city mayors and selected private agencies; but a cross-sectoral/sectional composition of the region such as the business sectors, the non-governmental organisations (NGOs), the Catholic Church and other groups. Elected by the members, the chairman of the RDC has always been a governor of a big and economically sound province. The Central and Regional levels have a very strong linkage. A selected number of the cabinet members have been assigned to every region and are called Cabinet Officer for Regional Development (CORD). Furthermore, to further assist the regions and their RDCs, the President has designated about three or five Presidential Assistants for Regional Development. The RDCs have several standing committees, broader functions and more power under the decentralisation policy of the government. A very good example of this in the development and approval of project proposals. With the approved regional thrusts, policies and programs, the provincial, city and municipal governments are expected to submit their project proposals to the RDC before they are submitted to the national departments for consideration/inclusion in the Medium Term Public Investment Program (MTPIP) and/or the annual appropriation of the national government. Proposals submitted to the central office departments are returned to the sponsoring province or city for endorsement to the RDCs. This process is being followed to avoid unnecessary review of proposal by the central department and facilitate approval process after the regional development guidelines have been satisfied.

9.3.1 Institutional Arrangements for Planning and Implementation of Projects

The planning and implementation of programs and projects under the present government is still centralised in many areas, although there is the desire and commitment to decentralise it starting from the regional level, down to the municipal level. As a policy, the central government issues a development agenda touching on all areas of concern of government, major and priority problems and needs of the majority of the people in the country
before any development planning is undertaken. These policy directions serve as bases in developing the country's Medium-Term Development Plan. The present Medium-Term Philippine Development Plan 1987-1992 was updated in view of the development since December 12, 1986. Updates were made on the original Plan targets to:

(a) consider actual performance in 1987;
(b) address new priorities mandated by the 1987 Constitution and recent legislations;
(c) account for new developments in the international economy; and
(d) make the Plan an operationally relevant document.

While addressing these concerns, the government will pay greater attention to the implementation of a consistent set of policies to prevent conflicting signals which could jeopardise the gains already attained.

Ideally, planning should be done following the Bottom-Up Approach. In the case of the Philippines, while this approach was followed, the top-down approach was very prominent in the preparation of the Medium-Term Development Plan (MTDP) for 1987-1992. Sectoral committees were organised to write the draft plan chapters, and limited public hearing were held due to time constraint, prior to the making of a final Medium-Term Philippine Development Plan (MTPDP), which was later approved by the President of the Republic. What is significant about the present Plan is the involvement of all concerned government agencies and majority of the private sector, notable the non-government organisations (NGOs), and other professional groups from plan formulation to its finalisation. The MTPDP will cost the government an estimated P1,861.6 Billion for 1988-1992. MTPDP envisages implementation of about 412 ongoing projects and about 164 pipeline/proposed projects, broken down as follows:-
The development plan is supported by a Medium-Term Public Investment Program (MTPIP), where project proposals submitted by the agencies are categorised as continuing, new, and pipeline projects. The inclusion of any project proposal is subjected into a screening process where the priority of each project is measured using several factors: source/s of funding, cost and date of implementation etc. All project proposals must conform to the set goals and objectives stipulated in the MTPDP. The MTPIP Secretariat is lodged in the National Economic and Development Authority (NEDA) and its output is a consolidation of documents of priority projects supplied and produced by line agencies and adopted by line agencies notably the NEDA, Department of Finance (DOF) and Department of Budget and Management (DBM). Most of the projects included here are capital-forming in nature and funded by foreign and local sources.

Another supporting document for the MTPIP is the Medium-Term Technical Assistance Program where, among others, it includes grants for training programs; information, education and communication (IEC) programs; research, consultancy; institution-building; and the like. If a project is approved, direct endorsement for $1 Million and below is made. Lodged in NEDA, inclusion follows the same procedure as the MTPIP.

<table>
<thead>
<tr>
<th>On-Going</th>
<th>Pipeline/Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; Agrarian Reform</td>
<td>27</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>36</td>
</tr>
<tr>
<td>Industry Trade &amp; Tourism</td>
<td>74</td>
</tr>
<tr>
<td>Education &amp; Manpower Development</td>
<td>41</td>
</tr>
<tr>
<td>Health, Nutrition and Family</td>
<td></td>
</tr>
<tr>
<td>Family Planning</td>
<td>22</td>
</tr>
<tr>
<td>Housing</td>
<td>3</td>
</tr>
<tr>
<td>Social Services &amp; Community Organisation</td>
<td>22</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>91</td>
</tr>
<tr>
<td>Science &amp; Technology</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>412</td>
</tr>
</tbody>
</table>
Normally, the proponent organisation implements the project as approved by the Board of the NEDA, chaired by the President of the country. The NEDA Board plays a very important role in the planning and implementation process. It is composed of the Secretaries of Economic Planning, Budget and Management, Finance, among others. At the early stage of project development, NEDA staff sits in the agency project development group. It plays a major role in discussing the proposal with the prospective funding agencies, e.g. World Bank (WB), Asian Development Bank (ADB), United Nations (UN) agencies and bilateral agencies. When the proposal is completed, the head of the proponent agency has to face an internal committee of project evaluators in NEDA before it is tabled for discussion by the Investment Coordinating Committee (ICC) before submission to the NEDA Board. ICC processes projects using foreign funds, grants and regular funds from P300 Million and above. (For NEDA Organisation See Diagram 16).

For annual budgetting, Department of Budget and Management (DBM) processes budget applications of all approved projects which are then submitted to Parliament through Cabinet Division for final approval. DBM follows certain guidelines for considering and processing budget.

The annual budget allocations include an agency's total budget requirement. Once the agency budget is approved, the project funds are released to the agency either based on the approved project schedule which is not always happening, or in most cases lower than the approved project schedule.

Foreign-assisted projects are given priority by the government for its budgetary support following its commitment to strictly honour all international commitments. Thus, in the process of approving project proposals, funds are already guaranteed by the Department of Budget and Management (DBM), and fund requirements of the project are already included in the implementing agency's/department's budget proposal at least one year before its implementation. One of the problems encountered at the project implementation stage is the non-inclusion by some agencies of the fund requirement for the following year in its budget proposal. This results in the temporary stoppage of project implementation. This, however, is resolved
by submitting a supplementary budget request to DBM, which normally takes one to three months to approve and release. Another problem is the low utilisation of funds by the implementing agency which also causes delayed approval and release of funds. A host of factors contribute to low utilisation: changes in project management or agency head; non-submission of required financial budgetary forms/requests; non-release by DBM of the corresponding release required by the implementing agency; delayed approval by approving authorities of some activities such as construction, purchase of vehicles and computers, etc.; law and order situation in the project sites; prolonged canvassing, bidding and awarding of contracts and services; and non-submission or delayed submission of expenditure reports from the field. This problem affects the subsequent releases of funds and the approval of budget. During the past regime, several fund release systems were tested, modified and adopted. Funds were released on LUMP sum basis and in many cases, they were directly released to the project management group. Through the years, releases were made on a quarterly basis with emphasis on the release of funds first, to the line departments who apportion them based on their fund requirements to several project management groups. In the early part of the present administration, direct release of funds to selected provinces were tested. To date, however, the government is following a system called Fund Warrant System, where an agency gets its one-month fund requirement equivalent to one-twelfth (1/12) of its budget from DBM. This amount is then apportioned to its Bureaus, Offices, Units and project management groups based on their monthly fund requirement.

9.3.2 History of Monitoring and Evaluation Practices

The monitoring and evaluation practices in the Philippines were started several years ago for both "special projects" and also for regular programs of government agencies. "Special projects" are model or pilot projects needing close monitoring, both by the funding and implementing agencies to determine effectiveness of project/s and replicability or adaptability of the same to other areas. Regular programs are those that are implemented by agencies to achieve several objectives of the sector concerned. It may or may not include foreign funds.
However, in the past, monitoring and evaluation of projects was not given consideration or priority concern due to the following reasons: the absence of commitment required from agency heads to tender a comprehensive performance report to the constituency, the absence of specific mandate to regularly report to one coordinating agency (like the Planning Department), lack of trained personnel to do the monitoring, shortage of funds to evaluate the projects, the absence of program level indicators as against major development indicators to measure performance of agencies and the sector as a whole, the absence of designating accountabilities and specific responsibilities of project people from the national to the field level, and the absence of the much-needed financial assistance to support the monitoring and evaluation function of an agency.

Through the years, the monitoring and evaluation processes greatly improved as the number of projects increased, both for loan-assisted and grant-assisted projects. As a requirement of the funding agencies, project implementing agencies started to improve its monitoring and evaluation functions. At its initial stage of development/expansion, some agencies created ad hoc offices whose head/s reported directly to the head of the agency. This approach created some internal problems in effecting the working relationship between the staff of relevant department's bureaus and offices, and that of the separate and ad hoc project office/s. These internal problems include accountability in planning and coordination, boundaries of responsibility and others. In the case of health and family planning project (Population I Project funded by the World Bank), the creation of a special implementing office with better resources and logistics created internal tensions and slowed down implementation. This approach was, therefore, abandoned, and instead, a project team was created (in the case of the succeeding project funded by the World Bank, Population II Project), headed by a senior official of the implementing agency (Undersecretary rank).

To date, an expanded monitoring and evaluation system for social development projects are in place. However, the system needs further development before it is able to provide policy-makers, planners, project managers, and field staff the needed information for policy development, sectoral plan.
formulation, effective and efficient management of projects. The Updated Medium-Term Philippine Development Plan (UMTPDP) for 1988-1992 puts special emphasis for improving the planning and implementation methods, specifically in finding ways and means to reduce the gap between planning and implementation.

9.3.3 The Current Monitoring and Evaluation (M/E) Arrangements at the National and Sectoral Levels

In many social development projects, either implemented by government, NGO, and/or a combination of both, several systems are established jointly with the agencies involved -- the project and the funding agency/ies. These systems encompass a broad range of processes including operational planning, reporting, feedback and implementation review, and in-house or independent project evaluation. These systems have the following general objectives: provide for the rational and orderly setting of annual, semestral and quarterly activity targets and resource requirements of the project; the periodic stock of status and progress of implementation of projects to ensure that inputs, outputs, and strategy of implementation are in accordance with approved plans and allocations; institute a functional method of decision-making and feedback on various aspects and levels of project implementation; systematically gather information which can serve as inputs in eventually assessing and evaluating the impact of completed projects on the attainment of program goals and project objective; and, identify successful projects and apply the lessons gained therefrom in planning and implementing similar projects in the future.

In typical health, family welfare, education, social services, family planning and nutrition projects, monitoring and evaluation system is subdivided into four component sub-systems. These are:

1. the detailed project operational planning sub-system;
2. the detailed project reporting and feedback sub-system;
3. the project implementation review and assessment sub-system; and
4. the project evaluation sub-system.
The first three sub-systems operate in a sequential and interdependent manner. The detailed project operational planning sub-system is designed to ensure rational setting of annual, and quarterly work targets and financial requirements of projects. It provides a mechanism for the formulation and approval of innovative sub-projects to respond to changing conditions or situation of the sector in a given area or year. Participated in by the project directors and staff, and other support agencies at the national and field levels, each project coordinator and the central project staff prepare the project work and financial programs for the year based on the project agreements signed between the government and funding agencies. Preliminary discussions of these works and financial plans are undertaken involving the project director, the project coordinators and the funding agencies. These discussions are guided by the approved sectoral plan, agency plan, previous year's performance, perceived clients' needs, institutional and administrative capacities, and resource availability, among others. A major corollary activity to the manual work and financial programming exercise is the setting of sectoral targets for regional work targets and financial requirements of projects. The central sectoral agency and central NEDA office, together with their regional counterparts, coordinate the formulation of regional work targets through the region-based Social Development Committee designated by the Regional Development Council (RDC), the policy-making and planning body at the regional level.

The detailed project reporting and feedback sub-system is activated after the sectoral project work/financial program is approved. Sectoral program/project work targets and financial requirements as indicated in the approved work/financial work program are recorded and documented for reference purposes. Information about the project's accomplishments, fund releases and expenditures/disbursements and problems encountered are then collected on a quarterly basis. This information is usually gathered from the reports prepared at the field, district, and provincial levels of specific agencies implementing the projects. These reports are usually submitted to the agency regional offices in the prescribed agency format. Regional monitors or project coordinators transfer the relevant data to the prescribed periodic status report form. The amount of computed slippage
incurred by the project for the quarter under review is recorded and analysed together with the identified problems and suggested remedial measures. These serve as bases for identifying the needed action for follow-up at appropriate levels. Problems that can be acted upon at the regional levels are followed up. Those that need higher level action/decision are referred to the central office for follow-up.

In the process of recording and analysing reports, information on issues and problems requiring action/decision are brought to the attention of the units or agencies concerned. Actions or decisions generated from the formal or informal sharing of relevant information are relayed back to the field or regional level using either formal or informal channels. Documentation of decisions or decision-making activities is usually recommended for purposes of either legitimising the action or future reference.

The more formal and structured form of feedback includes:

(a) the sharing with those concerned of information/reports on the actions/decisions made by the central agency on specific issues referred to it;
(b) the formal discussions or meetings held on a quarterly basis or monthly basis, depending on their importance, at technical or policy level to resolve identified problems and relaying back the decisions made to those concerned; and
(c) the resolution of specific problems/issues at regional levels and feeding the information forward to the central agencies concerned.

The project implementation review and assessment sub-system is an institutional process which provides for the assessment of the project's performance on an annual and cumulative basis. It focuses on the following major considerations:

1. the efficiency in converting project resources into target outputs or services;
2. the effectiveness of project outputs/services in achieving program goals and project objective;
3. the major lessons in implementation that may be useful in guiding future programs, policy and project formulation;

4. the gaps or discrepancies between intended benefits/beneficiaries and actual recipients of services; and

5. the operational problems or constraints that hamper effective and efficient project implementation.

The program implementation review is intended primarily to determine ways of improving programs and project efficiency and effectiveness. It is not intended to find faults in implementation, but operational problems are discussed and analysed for purposes of finding suitable ways of overcoming them.

The project evaluation sub-system is a post-project implementation activity where actual accomplishments are matched with the planned targets. Any deviation will help determine the future strategies and procedures that will be incorporated in future, relevant and related projects.

In the current monitoring/evaluation arrangements at the national and sectoral levels, specific sectoral objectives and activities should be in consonance with the set national goals and objectives. These should be spelled out by the sectoral agencies concerned which, in turn, are translated in project objectives and activities.

9.3.4 The Organisation and Uses of Monitoring/Evaluation at the National Level

The NEDA Board is supported by several committees that assist the Board members in making policy-decisions affecting the socio-economic development efforts of the country. For social development, the Social Development Committee is responsible for policy-making, program thrust redirection in solving inter-sectoral issues affecting the sector/s concerned. While this Committee exists, sectoral agencies have their interdepartmental committees at the national level that regularly review status of programs and projects'
implementation. In some agencies, these are called Management Committees composed of undersecretaries, assistant secretaries, bureau heads, service chiefs, regional and project directs that meet weekly.

The existence of a national coordinating committee helps the agencies avoid repeating the same mistakes in planning for, development and implementation of projects at the field level. It reduces the risks involved in implementing costly projects.

9.3.5 The Monitoring of Project Implementation

The monitoring of project implementation is done through the establishment of a system and several sub-systems whose primary objective is to ensure that planned program activities are undertaken at the pace and manner that produces the intended results. The present level of achievements in implementing social development projects for the period 1982-1987 had been less than desired — primarily because of the failure of some projects to achieve their intended results. While there were no studies conducted to qualify this, the major indicators would tend to show whether these projects have impact or none. Also, fund utilisation rate during the period had been low ranging from 40 to 60 percent. Some worthwhile projects (e.g. Goiter Control and Control of Diarrhoeal Diseases) which had been approved for funding never progressed very far because there were no mechanisms for effectively following through on the planned activities. Some monitoring systems were largely tentative and experimental because there was a negative reaction to additional data collection schemes. So to avoid increasing the perceived burden of reporting on the part of the agencies concerned, they made use of whatever reports were already prepared by the projects for their own internal purposes.

The problems commonly identified in the operations of a monitoring system were the following:-

1. Existing internal reporting systems were laden with information, and sometimes questionable data, many of which had limited usefulness;
2. More often than not, reports are submitted late; sometimes, not at all. Hence, data collected tend to be obsolete by the time they are brought to the attention of project managers; and
3. Many reports are simply filed and seldom analysed. Very little feedback is provided to the field on actions done or decisions made on the report;
4. Report preparation is generally viewed as a routine, mechanical chore which everyone would want to avoid, if it were possible;
5. There is a tendency to report fictitious accomplishments, especially for evaluating personnel performance;
6. There are limited mechanisms for acting on problems identified in the report. In many cases, problems are simply noted and made known when occasions arise, but a definitive action on the commonly identified problem (e.g., over-centralisation, rigid administrative procedures, delays in fund availabilities, low fund disbursement levels, etc.) seldom go beyond occasional discussions in inter-agency meetings or other convenient fora;
7. Problems identified and presented in submitted reports tend to be narrowly focused in administrative difficulties encountered by project personnel in performing their tasks. Difficulties or problems in relation to understanding project goals or availment of services are seldom referred to. For instance, reports would often state the problem of lack of funds for personnel travel, but not the specific problems of targeted beneficiaries in availing of needed services (e.g. clients lack of resources to reach the service or lack of motivation to seek the needed service). More often than not, target clients are reported as being ignorant, stubborn and unwilling to know and learn proper ways of availing of services. Seldom would reports state that project personnel are ineffective motivators or inefficient service providers, or that services are inappropriate and inadequate to meet the needs of the clients concerned; and
8. More often than not, people responsible for preparing and submitting reports are not fully aware of the importance or usefulness of the information contained in the reports. They simply fill it out because it is required by higher authorities.
At the central level, monitoring of projects is hampered by the absence of an effective, efficient and working or functioning management information system (MIS). In many occasions, the management cannot rely on MIS data where the latest data available dates back to the range of one (1) to six (6) months. In this regard, therefore, data will have to be generated from the field managers, concerned offices or specific bureau's planning and information division. On the other hand, field offices who have already submitted their reports would blame the central department's offices for losing, not properly filling their submitted reports, or for blaming them that they have not submitted their reports yet. In many instances, physical and financial reports are submitted, but the operational problems and other technical aspects of monitoring projects are excluded which, in the long run, results in the ballooning of problems that could have been solved when they were still manageable. In support of the UMTPDP, NEDA-Project Monitoring Staff (PMS) has produced for the MTFIP projects a monitoring system for agencies to follow with the specific report forms and detailed guidelines. (For Organisation of NEDA-PMS see Diagram 17). These forms are submitted on a quarterly basis and serve as discussion papers for the Inter-agency meetings held per sector per quarter. Some forms have been designed for submission only during project preparation, when it is revised, or when it is completed. An example of an agency monitoring format for a big program like the population program is included in the Annex.

In addition to the implementation review, the following mechanisms were also incorporated:

1. The regular conduct of field visits to verify and validate information contained in the reports and gain additional insights on field operations and conditions;
2. The provision of a channel for quick reporting of urgent problems through the project exception report;
3. The conduct of process monitoring to highlight the correlation between project inputs, processes and outputs; and
4. The informal but regular interaction between program coordinators/monitors and project managers to discuss problems and opportunities for enhancing program/project operations.

Project inspection is done on need basis only due to shortage of funds and other related work mostly done in central office. This is augmented only when the funding agencies send several missions (e.g. WB Mission, ADE Mission, UN Tripartite Review) where field inspection together with the project managers and staff at the central level is conducted.

In order to further facilitate the implementation of projects, a memorandum was issued by the President in November 4, 1987 addressed to all Cabinet Members and Heads of Government Corporations directing them to designate an Undersecretary or a Senior Officer of equivalent rank who shall devote at least half his/her time to project matters and who shall be assisted by an officer of appropriate rank; and establish, where appropriate, a central project group with a full-time staff complement to be drawn from existing staff and placed under the responsibility of the designated Undersecretary or Senior Officers of equivalent rank.

Further to the above President's Memorandum, a Project Facilitation Committee (PFC) has been created at the central level with purposes such as: to catalyse actions, identify and unclog bottlenecks both at policy and procedural levels and monitor results of the thrust of the government to intensify its efforts for the preparation, prioritisation, selection and implementation of projects. The Committee shall report to the President through Finance Secretary who has been designated as the Cabinet Officer in charge of the PFC. The Committee is authorised to call upon any department, bureau, office, agency or any instrumentality of the government, including government-owned and controlled corporations, for such assistance as it may need in discharging its duties and functions.

Since the main concern of PFC at least initially, is to look into projects that are behind schedule, many of these projects (mostly infrastructure-type) are now moving a little bit faster. PFC provides the project managers
the long overdue support and assistance in, for example, facilitating the release of funds, approval of contracts, etc.

9.3.6 Ex-Post Evaluation (Project Completion Reports and Project Auditing)

This is one important area of project monitoring and evaluation that remains to be a concern in many sectors including social development projects. Evaluation of foreign-funded projects is usually done either by the planning division of a department, by an independent consultant, and by both the department and a consultant. In many instances, the funding agency with the approval of the implementing agency, hires the services of either a local or foreign firm.

Ex-Post Evaluation Reports are biased in instances when these are done in-house; and, if done by an outside group, tend to create unacceptable remarks from the implementing agencies that the evaluator lacked the needed background information on why such things happened, why certain problems occurred, or why targets were not achieved. If this happens, chances for the projects' expansion or extension are affected. Changes in department heads also affect the adoption of completed projects for expansion or extension. This is particularly true in health and family planning projects (UNFPA-WHO-assisted FP/MCH Project in Bohol Province and the USAID-assisted National Family Planning Outreach Project).

Auditing projects is done by either the department implementing the project or the Commission on Audit (COA). While the objective of the department is more geared towards fund utilisation, project management, use of infrastructure and equipment, the COA centers on fund management and a little of the other areas that the department is looking for.

The major problem affecting ex-post evaluation report preparation is the lack of, or limited funds available to the department implementing the project. Although in many projects, provision of funds for evaluation is made, funding agencies tend to enforce the guidelines that the funding agencies provided (WB-assisted Health and Population Project and USAID projects). While the
funding agencies would like to see from their own perspectives, in a way by insisting on their guidelines, it is also important to consider the points of view of the implementing agencies. For instance, while the funding agencies are more interested to see how they fare in the setting up of projects and the managing and release of their funds, the implementing agencies would like to see how certain financial policies of funding agencies affect project planning and implementation.

9.3.7 The Monitoring and Evaluation of Project Operations and Sustainability

Social development projects are categorised into:-

1. Those that are "pilot" or "model" in nature. These projects are innovative in character and are considered to be "trail blazers" when introduced in the country. Normally foreign-funded, the projects are given utmost support and commitment by policy-makers and planners.

2. Those that are developed and implemented in specific areas with special problems and goals. They are considered to augment whatever resources are available for the activities designed to solve the identified problems and goals in a well-defined area and time frame.

3. Those that are national in scope where integration of major activities are required and where counterpart funds from the government are needed to implement them.

4. Those that are purely funded by loan funds with little government funds. These projects not only complement the government efforts but also introduce some aspects of expansion and continuity through the years.

5. Regularly-funded projects. Those that are 100 percent government funded.

Operationalising the above projects would cover the identification of future prospects for expansion and extension of project life, adaptation in other areas of the country, determination of strategic policies to soften, if not totally eliminate, operational problems from the central to the field levels.
and consideration of other approaches by way of developing new projects to solve problems not identified or addressed by those other projects.

On a selective basis and following certain guideposts like foreign-funding (loans and grants), pilot projects, and those projects with a minimum budget of P1 Million, are monitored through a network lodged in NEDA. At the national level, NEDA has a Project Monitoring Staff (PMS) responsible for setting the network system, monitoring system and coordination, and problem-solving meetings. (See Diagram 17 for NEDA-PMS Structure). It has a Social Development Inter-Agency Committee that holds quarterly meetings and is composed of the chiefs of planning divisions of the corresponding implementing agencies. Discussions of projects' operations cover status of project implementation, fund utilisation level, operational problems, coordination problems, etc. Supporting the PMS in its task of monitoring are the sectoral staffs; and, in this particular case, the Social Development Staff and the Regional Development Staff. At the regional level, the NEDA Regional Office, spearheaded by the Regional Executive Director and his/her Social Development Specialist, also has a Social Development Inter-Agency Committee to review project operations at the regional level, among others. Any operation problems that have policy and program implications are then submitted to the NEDA Board Social Development Committee, headed by a Department Secretary.

While many of the projects are absorbed as part of the department's regular programs, many of those projects are also left to be shelved after spending millions of pesos. The reasons forwarded by the implementing agencies include the following:

1. low priority;
2. not included in the new program thrust;
3. not adaptable in other areas;
4. lack or short of funds to expand or continue the project/s;
5. very costly;
6. imposed by funding agencies;
7. politically motivated.
Sustainability is one concern that is bugging the implementing agencies. While some of these projects complement several regular programs, many suffer the non-availability of funds and non-inclusion in the department's regular programs. This is specifically true when the donor or funding agencies withdraw their support after the projects' completion. While some projects are absorbed, it does not guarantee full financial support from the government. This results in:-

1. Non-use of applied strategies that serve as bases why the project/s, when still foreign-funded, were successful;
2. Absence or shortage of the funds for equipment and maintenance, buildings, staffing, provision of staff mobility and commodities required to cover the communities targetted to serve;
3. Half-hearted implementation of the activities due to poor perception of activity concept by staff, hiring of ill-prepared/trained staff;
4. Biased support to traditional activities as against the newly infused innovative activities by old bureaucrats who still have the attitude of doing his/her "own way of doing things", and not keen about trying to use new techniques and approaches; and
5. Shortage of the needed resources to fulfil a target/goal at a given time.

The problem of sustainability of project monitoring and evaluation is a real fact that exists in the country today. There is even no point of discussing sustainability when the present monitoring and evaluation systems need further improvement and strengthening. The steps taken by NEDA to coordinate the monitoring and evaluation of sectoral programs and projects are not sufficient enough to say that they have done much. It has only recognised the need for it, but it has a long, long way to go. A very good example is the present foreign debt that the government is monitoring. While the Departments of Finance, Budget and Management, NEDA and, the Central Bank are monitoring the funds, how projects are implemented, and how agencies fare in their jobs, the Legislative Department is not involved. There is lack of coordination and information sharing between the Executive and Legislative Branches of the government. Sharing of project information with elec
peoples' representative has the potentiality to improve performances of projects at the field level.

9.3.8 Experiences with Impact Evaluation

Impact evaluations are normally done to determine whether projects contribute to the attainment of set sectoral and program goals at a given period. Thus, in social development, we have indicators like population growth rate, infant morality rate (IMR), malnutrition rate, etc. While these major social indicators are given, project indicators are found wanting; so that it is very hard to come up with a cumulative and derived data to get the status of education, health and family welfare without going into, or waiting for the result of special surveys and regular studies; e.g. census survey, demographic studies, economic studies. Impact evaluation of regular programs suffer data deficiency, false data entry, poor data quality and delayed transmittal of reports that are useful in planning and policy-making. Moreover, Impact Evaluation of projects are undertaken - usually with donor support - only when there are possibilities of extension of a project. However, the Government of the Philippines is in the process of institutionalising and prioritising IE activities - creation of a permanent Ex-Post Evaluation Division within NEDA attest to this resolve.

9.3.9 A Comparison of Procedures for the Monitoring and Evaluation of Donor-Funded and Nationally-Funded Projects

The monitoring and evaluation of donor-funded and nationally-funded projects basically covers the same areas: project management, fund management and use, staff development, their efficiency and attrition rate of personnel, achievement of set targets, integration and coordination of activities, problems encountered, monitoring structure, responsibilities and accountabilities of each level of project organisational structure. The monitoring and evaluation of regular or nationally-funded projects follow very strictly, specific reporting systems, feedback mechanisms, assessment and evaluation report preparation schemes. Changes or improvements of certain steps and procedures happen only when new findings or experiences are learned after implementation of new projects, most especially those that are
foreign-funded. Nationally-funded projects are suffering from lack of funds to strengthen or improve the system, e.g., training the staff, purchase of computers. Foreign-funded projects are better-off in terms of funding and support of management due to the following reasons:

1. Donor agencies require the implementing agencies to submit, on a regular basis, specific reports, e.g., performance report, financial report, accomplishment report, etc.

2. In order to comply with all the required reports, provision for the development of a monitoring system, management information system, purchase of equipment, e.g., vehicles and computers, training of monitoring staff and hiring of highly-qualified personnel, are amply supported by the donor agency.

3. Unqualified support in the development, testing, setting-up of a monitoring system and making it work is easily secured due to the availability of funds given to people from the central level to the field level as general honorarium or financial incentive for their active support and involvement. This particular practice is the main reason why at the end of the project, only few are really active in pursuing and making the monitoring and evaluation system work.

4. The donor agencies provide for incentives in terms of fellowship training/s abroad.

5. Donor agencies and department heads are closely monitoring the project and regular missions are sent to the country to check the project status. This is true especially in areas where the agency heads always take into consideration ways and means to make the project succeed.

6. Financial support is guaranteed by the government following the principle of honoring international agreements. The share of the donor agencies is advanced by the government and later on, reimbursed by the donor agencies.

7. Project staff receive higher salaries -- those with regular plantilla items, receiving additional honoraria or financial incentive, while the contractuals receive 25 percent of the equivalent regular position more as salaries. Furthermore, benefits like fellowship trainings and future absorption of contractual personnel are always included. This
is so because many of the Project staff are contractuals or co-terminus with the project life. Under the National Compensation Circular Number 53 issued by the Secretary of DBM on June 21, 1988, with the subject of guidelines in the implementation of the classification and compensation rates of position in Foreign-Assisted Project (FAP) project staff follow what DBM call FAPs Position Classification and Standard Compensation where corresponding or equivalent regular plantilla, term is given 20% premium and 30% Basic Pay Advance. For example, Accountant I with Pay Range 9 normally has a monthly basic salary of P2,418 plus a Cost of Living Allowance (COLA) of P650. For an FAP classified Accountant I position, he gets 20% premium equivalent to P507 and 30% of basic pay allowance amounting to P732 or a total of P4,307, a difference of P1,239.

In cases where the Philippines is selected as one of the participating countries in a region-wide program development and implementation under the auspices of donor agencies like the U.N. agencies, full government support is guaranteed. The government is even willing to extend other support like provision of office space, personnel, vehicles, and the like.

9.3.10 A Comparison of Approaches to the Monitoring and Evaluation of Social Sector, Infrastructure and Industrial Projects

Social sector projects differ in terms of objectives, project indicators and approaches of implementation. However, in terms of monitoring and evaluation, the social sector, infrastructure and industrial projects do not differ very much. For example, the MTPIP Monitoring system of NEDA applies to all types of projects. The reporting system and format being used are the same and agencies are expected to submit the reports/forms as per the instruction. At NEDA-PMS, the three sectors have their own Inter-Agency Committee to discuss and thresh out issues based on the reports. Consultants' reports submitted on a regular basis to NEDA-PMS are sent also to the agency heads and donors in the form of what NEDA calls "ALERT LETTER". The NEDA-PMS Special Report on projects by sector is designed to solve problems as soon as feedback from the field, regional and central offices
reached NEDA. On the other hand, Regular Progress Reports prepared by NEDA-PMS is prepared for information of implementation and the NEDA top management.

9.3.11 Key Issues

Monitoring and Evaluation of development projects at the present stage needs a further review and streamlining from the field level to the national level. Based on the Philippine experience, the following issues are considered to be important and relevant if only to determine whether change is happening and development process is actually existing.

1. Strong centralised monitoring and evaluation system that takes into account all development projects, be they foreign-, locally- or jointly-funded;

2. Effective and efficient agency monitoring and evaluation system designed to have a direct link to a bigger system at the centre that is lodged in an agency such as NEDA;

3. Fast data generating system complete with a complementing computer system that will facilitate the extractions and analysis of data from the field;

4. Development of sectoral project implementation indicators where major social development indicators could be easily derived;

5. Streamlining of project implementation data collection at all levels of project operation to reduce time and money wastage, and to maximise and produce much-needed data at a short period of time.
NEDA SECRETARIAT INTERNAL ORGANIZATION CHART

DIRECTOR-GENERAL

NATIONAL DEVELOPMENT OFFICE
  DEPUTY DIRECTOR-GENERAL
    ASSISTANT DIRECTORS-GENERAL
      NATIONAL PLANNING AND POLICY STAFF
      AGRICULTURE STAFF
      TRADE, INDUSTRY AND UTILITIES STAFF
      INFRASTRUCTURE STAFF
      PUBLIC INVESTMENT STAFF
      SOCIAL DEVELOPMENT STAFF

REGIONAL DEVELOPMENT OFFICE
  DEPUTY DIRECTOR-GENERAL
    ASSISTANT DIRECTORS-GENERAL
      REGIONAL DEVELOPMENT COORDINATION STAFF
      PROJECT MONITORING STAFF
      REGIONAL OFFICES

CENTRAL SUPPORT OFFICE
  DEPUTY DIRECTOR-GENERAL
    ASSISTANT DIRECTOR-GENERAL
      MANAGEMENT STAFF
      LEGAL STAFF
      ADMINISTRATIVE STAFF
      MANAGEMENT INFORMATION SYSTEMS STAFF
      DEVELOPMENT INFORMATION STAFF
ORGANISATION AND POSITION CHART

PROJECT MONITORING STAFF

DIRECTOR

ASSISTANT DIRECTOR

Administrative Group

1 Secretary
1 Supervising Clerk II
1 Artist Illustrator II
1 Illustrator III
2 Senior Clerks
5 Clerks II
1 Duplicating Equipment Operator II
1 Driver

Social Sectors Division

1 Chief Economic Development Specialist
1 Supervising Economic Development Specialist
2 Sr. Economic Development Specialists
2 Economic Development Specialists
2 Economic Development Analysts

Economic Sectors Division

1 Chief Economic Development Specialist
1 Supervising Economic Development Specialist
2 Sr. Economic Development Specialists
2 Economic Development Specialists
2 Economic Development Analysts

Infrastructure and Other Support Sectors Division

1 Chief Economic Development Specialist
1 Supervising Economic Development Specialist
2 Sr. Economic Development Specialists
2 Economic Development Specialists
2 Economic Development Analysts

Systems and Data Processing Division

1 Chief Economic Development Specialist
1 Supervising Economic Development Specialist
2 Sr. Economic Development Specialists
2 Economic Development Specialists
2 Economic Development Analysts

Post-Project Evaluation Division

1 Chief Economic Development Specialist
1 Supervising Economic Development Specialist
1 Sr. Economic Development Specialist
1 Economic Development Specialist
1 Economic Development Analyst
THAILAND

9.4 General Country Scenario 61

The Kingdom of Thailand has an area of some 514,000 square kms with a population of 51 million (1986 figure). The country is surrounded by Kampuchea and Laos to the east and north and Burma to the west. The country is also flanked by the Gulf of Thailand and the Andaman Sea and borders Malaysia to the south; its coastline is approximately 2,400 kilometers long.

The country can be divided into three regions. The southern peninsula is narrow coastal low land, backed by high mountain ranges, which is rich in minerals. Central Thailand is an alluvial plain where about one-third of population lives. The upland regions mostly consisted of forested mountains.

The Mekong River flows along the northern and eastern edges of the country.

Administratively, the Kingdom is divided into seventy-three provinces, each administered by a governor.

Agriculture which is the mainstay of Thai economy accounts for 25% of the GDP, 75% of exports and employs 70% of the labour force. Rice is the most important agricultural produce, although cassava (tapioca), sugar cane, maize, rubber, cotton and kenaf are also produced in significant quantity.

Thailand is also rich in minerals including tin, wolfram, limestone, lignite coat, gemstones, copper, iron ore, zinc, rock salt and silica sand. Tin which is an important foreign exchange earner is fast dwindling in deposits while many other resources are largely unexploited.

61 This Country Report has been prepared by M.Adil Khan based on brief field investigation and documents research. While any factual inaccuracies are sincerely regretted, the author takes the full responsibility for any comments and observations made in the Report.
Country's industrial growth has been gaining momentum since last decade or so, mainly concentrating in the area of manufacturing consumer goods, textiles, and electronics. Oil refining, vehicle assembly and light industry to be found mainly in the Bangkok area.

Thailand is a constitutional monarchy similar to the United Kingdom. The King is Head of State and Head of armed forces. He exercises legislative power through the National Assembly, executive power through the council of ministers and judicial power through the courts. However, the country is principally governed by the strong bureaucratic institutions.

9.4.1 Planning and Implementation Arrangements

In the Thai system, five year plans have been drawn since 1962 to guide the overall development of the country.

Within the framework of the National Development Plan, there is a Working Group who in general, identifies projects. There are also other agencies and offices who may get involved in identifying the projects as well - for example, the King, the ministers and indeed the provincial and district entities of the line departments. Most of the field-based projects once identified gets proposed through line departments to National Economic and Social Development Board (NESDB) - the apex planning body of the government- for processing, appraisal and approval. The approval process of the projects would also include the Bureau of Budget (BOB) and in case of foreign-aided projects the Department of Technical Co-operation (DTEC).

NESDB only appraises and approves the qualitative aspects of a project - i.e. its conceptual adequacy and operational strategy. BOB and DTEC approves the budget. (See Diagram 18 for Planning Process in Thailand.)

Thai system also requires field visits to proposed project sites prior to their appraisal. For planning purposes, NESDB also utilises the expertise of the Universities for collection and analysis of data.
For agricultural development, different regions of the country, in relation to their potentials have been earmarked for different kinds of development. For example, Central North, North Eastern and South for livestock and Fisheries; North central for Natural Resources; Lower North for Water Resources, North East and Central for Integrated Agricultural Development; Central, North and North-East for farmer institutions; North and Central for Crop Production (mainly for export) and South for shrimp development. All irrigation projects situated on the South of Bangkok and South are also earmarked for cost-recovery.

Once the projects are approved, annual budgeting is done through annual and triennial plans. Each budgeting authorisation has to go through the House of Parliament for final approval.

In the past, due to lesser number of projects, these projects were mainly implemented and maintained through development budget system. With increasing demand on resources for widespread development, current approach is to terminate projects after initial investment and redeploy man and resources in other areas. Although this latest approach has become politically a sensitive issue, government is determined to optimise the use of public sector resources by involving as much as possible, the community for operation and maintenance of projects. Some departments in Thailand, like Agricultural Land Reform Office (ALRO) has positively responded to this approach. By introducing simple technology to their projects, they have been able to assure their sustainability through community participation.62

The country is now passing through its 6th National Plan (1987-91) period. The implementation of previous five plans has resulted into significant increases of GNP - by 18 times from approximately 58,900 million baht in 1961 to 1,041,920 million baht in 1985, the per capita income rose from 2,150 baht to 20,420 baht during the same period. For the past twenty years

62 Personal Communication, Prof. Jamlong Atikul, National Institute of Development Administration, Thailand.
agricultural production has grown at an average rate of 5 per cent per annum, compared with 2.5 - 2.8 per cent for the rest of the world. The growth in agriculture has had significant contributions in the overall development of the economy including reduction of poverty level (from 50 per cent in 1960 to 25 per cent in 1982). In the area of social development - 100% of the districts now have secondary schools, 92% of the districts are covered by hospitals and about 95% of the rural area are covered by primary and other health facilities.

The main goals of the Sixth National Plan is to:-

- Increase the efficiency of national development;
- Improve the production system and marketing and raise the quality of basic economic factors;
- Increase the distribution of income and prosperity into provincial regions and rural areas.

To achieve these development goals, the plan envisages following targets:

- 5% annual average increase in total economic growth;
- 2.9% annual average increase in agricultural production;
- 6.6% annual average increase in industrial production;
- 6.4% annual average increase in mineral production;
- at least 720 million cubic feet per day natural gas production in 1991.

The most significant aspect of the Sixth Plan is its emphasis on improvement of the development administration system of the government. This is planned to be done through creation of an effective monitoring and evaluation system, better inter-departmental coordination and through introducing a system of better management accountability. The improvement in development administration is planned to be done by encouraging the ministries to form steering committees, Public/Private sector consultation groups etc. For rural development, formation of steering committees are encouraged at all levels - central, provincial and rural.
The Sixth Plan envisages a total development expenditure of 664,090 million baht (82.28% local and 16.72% foreign). The foreign aid component of the development budget is planned to be kept under 9% of the total foreign currency earnings. Estimated foreign aid contribution works out to US$5,600 million for the entire plan period. Special measures are planned for ensuring the most efficient use of foreign aid.

Private sector is estimated to contribute about 70.43% of the development investment and is seen as the main motor force of development in Thailand.

9.4.2 History of M/E Practices

In Thailand, until recently M/E responsibilities of development projects were mainly vested with the project authorities and their respective line departments. However, with increasing involvement of public sector in the development of the country along with increasing foreign inputs, monitoring and evaluation activity has increasingly been becoming a concern of the central government agencies (CGAs).

Since late seventies and early eighties, several CGAs with different objectives, got involved in M/E. Traditionally, Bureau of Budget (BOB) has been monitoring the financial aspects of the development projects - matching release of funds with expenditure. NESDB also gets to monitor projects, at two levels - macro monitoring and on a select basis (approx. 5 per cent of total projects) project monitoring (from physical/financial to impact). For their monitoring applications, NESDB utilises the data base developed at the Thamasat University. The data base of the Thamasat University is linked from central to village level.

The Department of Technical Cooperation (DTEC) is responsible for monitoring the T.A. projects in the country.

A National Monitoring and Evaluation Centre (NMEC) was also established under the Office of the Prime Minister in 1979. Its activities being centralised M/E were controlled and managed by the M/E committee which was chaired by the Secretary to the Cabinet. There was also an NMEC sub-
committee chaired by the Deputy Secretary to the Cabinet. The NMEC since the first year of its operation has almost become a dormant organisation.

Lately, the most interesting development of M/E in Thailand has been the initiatives of the Office of the Auditor General (OAG). Although OAG's interest in monitoring was recognised since 1979, it was not until the creation of Performance Audit Division (PAD) in 1983 within it, that OAG's involvement in M/E of development projects became more clearly defined and highlighted. PAD is mandated to monitor, both financial as well as physical aspects of all development projects that are financed out of national budget and foreign loans. PAD aims to monitor both on-going as well as completed projects including performance evaluation of the different project management systems responsible for implementation and management of development projects.63 PAD's initiatives being new, its coverage therefore tends to be very limited and the Division is still in the process of developing different sectoral guidelines for monitoring projects of different sectors. PAD is also aiming to develop a data bank containing information on different implementational as well as planning problems affecting the quality and timely implementation of projects.

Other centralised M/E initiations have been the creation of specialised units at the central levels of different line departments. For example, Department of Agricultural Economics of the Ministry of Agriculture and Cooperatives, has installed within it, two separate divisions, namely Plan Implementation Division - for implementation monitoring - and the Division of Economic Projects and Programme Evaluation - for impact evaluation. Similarly, Project Planning Division's M/E branch and the Budgeting Division of the Royal Irrigation Department have been created to undertake the impact evaluation and engineering monitoring of its projects respectively. Most of these entities have however, emerged mainly through donor interventions.

63 Booklet, Office of the Auditor General of Thailand (undated).
Again the National Education Commission through its Evaluation and Research Division have been able to install and operationalise an effective system of summative evaluation of educational development programmes of the Thai Government. Its evaluation efforts also do appear to be equally dependent upon external fundings.

In sum, the involvement of CGAs in M/E is a recent development in Thailand, mostly coming through donor initiatives and despite some serious efforts by different agencies to strengthen their centralised M/E systems, there is yet to emerge a single monitoring organisation which could cover and maintain monitoring information of all the projects in the country. Given the right support and expertise, the Performance Audit Division of the Auditor General does seem to possess both the necessary bureaucratic autonomy as well as the intellectual potentiality to accommodate such activities.

9.4.3 Current M/E Arrangements at the National and Sectoral Level

As mentioned in the previous section M/E arrangements at national level are located within the National Economic and Social Development Board, the Bureau of Budget Performance Audit Division of the Office of Auditor-General and the central entities of the line developments. These line departments - as they are organised to perform sectoral development - also initiated sectoral M/E activities. The Thamasat University, through its well developed data base and research capability is seen to either assist and/or undertake M/E exercises both in macro-economic issues like Poverty Eradication trends as well as sectoral issues like agricultural development.

NESDB undertakes two level M/E:-

64 This approach is applied by the Economic Projects Division of NESDE only. It was not possible to learn, during the short time that was available for assessment of Thai systems, whether or not any other part of NESDB undertakes any further M/E.
- **Macro Level**: impact of development efforts of the government to income changes.

- **Project Monitoring**: on a select basis monitor progress of few major projects (the rural poor projects) from implementation to post-project impacts.

NESDB in collaboration with the Thamasat University has been able to establish a very elaborate system for monitoring the income changes on a regular basis. They also jointly collaborate in designing the M/E system, construction of questionnaires. NESDB is also linked to the Thamasat University computer data base. The elaborate information system that has been developed in Thailand over the years, also enables NESDB to pick up relevant information from village level for its IE purposes.

For its second level M/E, i.e., project monitoring, NESDB monitors projects which are minimum of five year duration and which are earmarked as nationally important. Methodology followed are reports and returns and monthly review meetings with the project directors covering such issues as targeted project objectives and actual achievements, achievement of construction programmes and production trends.

Basically, for project monitoring NESDB encourages line agencies to develop their own in-house monitoring. It is only for few priority projects - whose successes and failures may have nationwide ramifications that NESDB takes special interest in their M/E.

Bureau of Budget's monitoring efforts which is achieved through receipt of trimester reports from projects are mainly for budgetary control and financial administration. Again BOB's coverage is only about 50% of the projects, 900 out of 2000 projects in the country at present. BOB also undertakes occasional field visits for quality control of data and also appraising themselves of the problems of disbursement of funds. BOB also undertakes some evaluation activity, say 20 projects a year, mainly looking into the aspects of cost overrun, disbursement problems etc. and suggest corrective measures.
Performance Audit Division's (PAD) (of Auditor-Generals office) M/E effort which is a new development in Thailand aims to cover implementation, impact and institutional aspects of projects. They also cover projects on a select basis - projects with major policy-orientation, large and foreign - aided projects, problem projects highlighted through press report and/or reported by the Budget Committee of the Parliament. Audit Teams using Audit Manuals make visits to and study of the projects. These Audit manuals also indicate different approaches for projects of different sectors. The department is also in the process of developing separate and complete guidelines addressing these sectoral issues. Auditors selected for performance auditing are being given specialised training to cope with this new dimension in auditing. The division is also in the process of strengthening its regional offices for undertaking similar activities at the regional level.

PAD's monitoring reports which are prepared on case by case basis, examine issues concerning budgetary, institutional and planning matters affecting the implementation and performance of the projects. They submit these monitoring reports, with necessary recommendations, to the Prime Minister's office. Some of these reports are then discussed in the Parliament. PAD's monitoring reports are also forwarded to the Audited Agency, Ministry of Finance, Bureau of Budget, NESDB and other related government agencies. PAD's M&E activity, in the last three years, were able to cover 20 projects of different sectors - education, agriculture, health and development administration.

In Thailand the M/E initiatives at sectoral level are carried out by different sector-based lined departments. For example, for integrated rural development projects (IRD), the Chief, Rural Development Projects and Programmes (RDPP) within the Ministry of Agriculture and Co-operatives organises M/E for its six major projects in the country.65 Monitoring approaches to these projects vary with the funding sources.

65 These projects are:
- Integrated Area Development Project, North East: 1 No
- Rain-Fed Agricultural Development Projects, North East: 2 Nos
- Dairy Development Project: 3 Nos
For example, for the Asian Development Bank funded Projects, more emphasis is given on Project Benefit Monitoring and Evaluation (PBME). Whereas for the World Bank funded ones, main emphasis is on input/output monitoring (IOM) - monitoring of financial and physical trends.

Trimester monitoring reports of RDPP Division along with reports of other participating ministries - as is typical in an IRD project - are gathered through prescribed forms and submitted to Ministry Inspector where these reports are collated and discussed in project review meetings. Outcome of these proceedings are summarised and submitted to the M/E sub-committee of the Prime Minister for further review and policy decisions (See Diagram 19 for Flow Chart). However, at times occasional Special monitoring reports are also generated for addressing some emergent and unforeseen problem situation.

Although donor association had initially encouraged the RD unit of Thailand to organise M/E activity, at present the exercise is carried out for donor and for government funded projects as well. For example, the Dairy Development Project which is a hundred percent Thai government funded project, gets routinely monitored specially assessing the impact of beneficiaries.

For monitoring the agricultural development in the country, the Department of Agricultural Economics applies two-level monitoring - Plan Implementation Division (PID) of the Department undertaking the implementation monitoring and the Division of Economic Projects and Programme Evaluation (DEPPE) undertaking sustainability monitoring and impact evaluation.

The PID draws up yearly physical programmes for the projects and then reviews the progress through receipt of standardised reporting forms at regular intervals. The PID then analyses the data and submits reports to the Permanent Secretary as well as the Ministry Inspector. These reports mainly highlight the implementation trends and in case of shortfalls identifies causes.
DEPPE's monitoring efforts mainly concerns itself with:-

- cost recovery and
- accrual of benefits.

Their monitoring approach involves a pre-project benchmark survey which is followed up with regular information gathering during the implementation phase. Since beneficiary involvement is an important aspect of DEPPE monitoring, information on project performance is gathered both from the project management as well as from the beneficiaries themselves. These monitoring data thus gets analysed and reports prepared and submitted to project management including other national entities like the Permanent Secretary of the Ministry and different national and project level committees set up for overseeing the progress of the project. However, it is the project level authority who decides whether reports are to be accessed to higher level or not.

For M/E of irrigation sector, different divisions of the Department of Irrigation undertake different M/E activities. The Budgeting Division along with some part of the Project Planning Division of the Department undertake the financial and physical monitoring of on-going projects. Whereas the Division of Internal Inspection, through occasional project visits, ensure quality control and timely implementation of projects. Instruments used for implementation monitoring are monthly reports and quarterly review meetings at the headquarter level. Consolidated monitoring reports are submitted directly to the Director-General of the Department on a trimester basis.

For benefit monitoring of irrigation projects, a special unit within the Project Planning Division, namely, the Benefit M&E Branch has been created since 1983 - mainly to accommodate donor M&E requirements. The main function of this unit is to assist the project managers to identify the necessary monitoring data and to guide them in the methodological aspects of data collection. Because of organisational inadequacies, the M&E Branch can cover only 8 projects (2 World Bank-funded, 5 ADB-funded and 1 EEC-funded). Following World Bank guidelines, M&E Branch pursues three-stage surveys for monitoring:-
Stage 1: Identify Farmers' Plan (PLANNING)

Stage 2: Monitor progress of Farmer Plan and if deviations, inform Project Manager for corrective measures (INPUT)

Stage 3: Survey and measure the output (INCOME)

Two economists assisted by field enumerators collect necessary data. Each stage takes about 20 days each for collection, analysis and submission of reports. For the first two stages, summary reports of one or two pages are prepared. However, for the third stage a much more detailed and comprehensive report is prepared and circulated. Data is analysed through use of Personal Computers.

Data and monitoring reports are also shared with the Project Planning Division of the Department for necessary planning adjustments. Occasional seminars/workshops are also held by the M&E Branch which results into drafting guidelines indicating design and other management requirements for successful implementation of projects. These monitoring reports are also circulated to other concerned participating departments alerting them about their quality of participation. Responses to these reports by these participating agencies are stated to be less than satisfactory. At the farmers' level it is felt that too much information is asked for with very little result. (See Diagram 20 for Irrigation Department's M/E process).

For educational evaluation in Thailand, the Evaluation Division of the National Education Commission (NEC) carries out the ex-post or summative evaluation. The formative or on-going evaluation of educational projects and programmes is the responsibility of the Education Ministry.

The Educational Evaluation Division of NEC which came into being in 1984 with 42 staff is mandated to perform three major functions:-

(i) evaluating projects and programmes of National Education Development Plan;

(ii) evaluating any educational implementation significant to the system; and

(iii) developing evaluation techniques in the system.
NEC's evaluation efforts include both government as well as donor funded projects. Recently with assistance from the World Bank, the Commission completed evaluation of the Fifth Five Year Education Plan of the government. On a sample basis, the Commission also has a system of undertaking yearly concurrent evaluation of important on-going projects and programmes.

In summary, the current trends of M/E arrangements in Thailand suggest that at national level NESDB's, BOB's and that of Auditor General's M/E efforts are highly selective in their coverage and none of these monitoring initiatives, except NESDB for a few projects - seem to involve themselves in the entire range of M/E activities - from implementation monitoring to sustainability to impact evaluation. Auditor General's monitoring efforts which appear to be much more in-depth than others also does very little for on-going monitoring and implementation facilitation. They only get involved when certain projects signal "sickness". BOB's financial monitoring also covers only 50 percent of the implementing projects.

At the sectoral level, M/E activities are limited to donor funded projects only - by the monitoring units which often are created and sustained through donor funding. It seems that it is only in the education sector, that M/E initiatives are permanently institutionalised.

9.4.4 The Organisation and Uses of M/E at the National Level

NESDB's organisational arrangements for M/E seem to be quite inadequate, both in terms of number as well as expertise. There are about 40 staff for monitoring 3-400 projects (Agricultural sector only). Again most of the staff are trained in project appraisal rather than project monitoring. Because of organisational inadequacy NESDB only undertakes some mid-term evaluation of projects - that too on a sample basis. Their M/E effort, therefore, does very little to improve the on-going implementation nor do they render much support for inter-departmental coordination which seem to be affecting the progress of most projects in Thailand. Their mid-term evaluation studies which do highlight some of these institutional problems
do not get addressed to by NESDB. Instead NESDB refers them back to the implementing agencies for seeking resolutions through their own means. However, some of the data obtained through these monitoring studies are fed back to the planning process for improving the future design of projects. NESDB's main aim is to encourage line departments to develop and strengthen their monitoring systems internally.

Bureau of Budget (BOB) with 70 staff monitors about 900-1000 projects which is about 50 percent of the total projects in the country. For fund release and annual budgeting requirements, every department has to submit project reports stating progress vis-a-vis target and in case of shortfalls, give reasons. Through this approach BOB is able to gather information on implementational problems of projects - but again, as it is beyond its mandate, can do little to improve the situation. However, by analysing monitoring reports of different ministries and departments, BOB has been able to develop some computerised data base on development management process and on organisational capabilities of different departments. But under the present Thai development management system, there is no formal institutional linkage to use this information either for planning purposes or for implementation purposes. Budgetary clout of BOB, nevertheless ensures regular and timely receipt of reports from projects.

Performance Audit Division's (PAD) monitoring functions are carried out by 64 staff and in addition steps are also being taken to strengthen 9 regional offices and 3 small branches for carrying out similar functions at regional and district levels. Each of the PAD's monitoring reports gets submitted to the highest decision-making authority - the Prime Minister's Office - for consideration and necessary action. In that sense PAD's monitoring efforts enjoy better follow-up value than other M/E initiatives in the country. With World Bank assistance PAD has been able to develop computer capabilities for its M/E activities. However, PAD's staff who are basically auditors may need further training in and orientation to M/E.

National Education Commission's M/E initiatives particularly for impact evaluation of the country's educational development programmes is well established. Its computer capabilities are also well strengthened. NEC's
main aim, at present, is to achieve further refinements in the methodological approaches. Its evaluation efforts, however, get somewhat impaired due to lack of resources.

In summary, M/E initiatives at the national level in Thailand is mostly organised at the departmental level and again, some of these initiatives which have not been very successful in linking themselves with the provincial, district and sub-district level M/E initiatives, have resulted into poor performance of projects. These M/E initiatives by the centre is for some reasons, viewed with suspicion by the project managers as they feel that M/E is done mainly to find faults with them rather than appreciating their problems and finding solutions for them.66

9.4.5 Monitoring of Project Implementation

In Thailand, although each line department develops its own monitoring and reporting systems for overseeing the implementation, loose linkages between the centralised systems with those at the provincial, district and sub-district levels, have rendered these IOM efforts rather ineffective. Reporting from the projects to the centres are irregular and lack accuracy. Follow-up actions from the centre on the submitted reports are also not very adequate. However, the Agriculture Land Reform Office (ALRO) of Thailand seems to have developed a reasonably efficient monitoring and reporting system for overseeing the implementation of its projects. Well designed monthly progress reports are regularly received and acted upon at the headquarter level.67


67 ALRO is a new department whose project experience is also new and small in number. Staff in ALRO, therefore are extremely enthusiastic and feel highly committed in implementing them.
Problems of implementation monitoring is felt worse in those projects which involve multi-agency participation. Thai government is fully aware of this situation and states in Sixth Plan document: "In order to avoid duplication of projects and delays in project implementation, rural development in Sixth Plan will undertake to improve the co-ordinating system and organisations that will ensure more efficient inter-agency co-ordination; mechanisms to be improved include standardised documentation forms, integrated schedules and manuals for rural development administration that clearly specify work procedures".68

For improving the multi-agency co-operation and co-ordination government is also in the process of restructuring its overall development management systems at the national provincial and district levels. Planning units of principal ministries are planned to be established at provincial levels and co-ordinating agencies established at district level to improve the implementation monitoring and co-ordination system of rural-based development projects.

9.4.6 Ex-Post Evaluation (Project Completion Reports and Project Auditing)

Project Completion Reports (PCRs) for Thai-government funded projects are rarely initiated. PCRs for foreign-aided projects are generated through donor-appointed consultants. While these reports are submitted to both the government as well as the concerned donor agency, they are acted upon more by the donor than the government. As a matter of fact previously, under the Thai system, projects were allowed to continue and rarely declared complete.

Financial auditing of completed projects is a routine function of the government. However, Auditor-General's new initiatives in performance auditing, though limited in coverage, is attempting to focus more on the qualitative aspects of completed projects - matching physical targets with achievement, planned with actual benefits and also identifying causes of cost-overrun and time overrun, if any.

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In general sustainability monitoring (SM) is considered as the weakest of all M/E activities in Thailand. However, for the irrigation projects, Operation and Maintenance unit of the Royal Irrigation Department undertakes the engineering monitoring of operation and maintenance of its completed projects. But budget difficulties often render its O&M activities less than satisfactory. Again, for physical maintenance of its projects, the Royal Irrigation Department has to depend on inputs from other development agencies as well, like Public Works Department whose activities are equally difficult to monitor and co-ordinate. The aspect of beneficiary participation, an important element to sustainability of irrigation projects, is rarely monitored and the little information on beneficiaries which is obtained through the surveys of the M/E Branch of the department is not always attended to.

The Economic Project and Programme Evaluation Division (EPPED) of the Office of Agricultural Economics undertakes some sustainability monitoring mainly focusing on issues like production changes and cost recovery and that too on a select basis and not for all projects. The other important issues of SM like community participation and institutional efficiency are not looked at by EPPED.

In some donor-funded projects like the Pichit Land Reform Support Project of the Agricultural Land Reform Office where funding as well as expert services are available for operation and maintenance, an efficient SM system was possible to develop and install. In this Australian government funded project, a Farm Map for the entire project area including a "Village Information System" (VIS) indicating present status of community and their needs have been developed. People at the project level have been trained to constantly update these to represent the status of the project and emerging changes in the socio economic conditions of the target population. A system has also been developed in the project to involve the beneficiaries in the monitoring process of the project. Information collected on a regular basis is analysed by using the micro-computers at the project level. The analysec
data is periodically used by the management assuring sustainability of the project. The sustainability of Fichit has also been possible due to the introduction of low-level technology in the project - which made it possible for the community to manage and operate them by themselves.

In summary, Thai government is yet to institutionalise the Sustainability Monitoring System for its projects. Institutionalisation of SM in some isolated cases has happened due to donor initiatives and support. However, government is fully aware of this deficiency and through introduction of steering committees and clearly defines the responsibilities of line departments, at all levels, is attempting to institutionally structure the SM systems for its projects during the Sixth Plan Period.

9.4.8 Experience with Impact Evaluation

The impact evaluation experience in Thailand is limited and is carried out mostly for those projects and programmes for which foreign funding is available. For example, DTEC under Japanese sponsorship is at present engaged in evaluating impact of Japanese aid in Thailand.

Notwithstanding difficulties of funds, several departments and ministries by administrative requirements are mandated to carry out evaluation of their completed projects. The Division of Integrated Rural Developmental Programme under the Ministry of Agriculture and Co-operatives initiate IE studies for the projects on a select basis. They mainly use outside agencies for IE activities - mutually agreeing on IE objectives and methodology.

In keeping with the divisions made in terms of general and rural poor areas for its agricultural development, IE approaches and responsibilities in Thailand are also divided into similar lines. For example, for general rural areas, project wise evaluation is the responsibility of the ministries and concerned line departments and that of the rural poor areas - besides individual ministries - are responsibilities of development committees set up at lower levels. But the IE initiatives of development committees merely measure the immediate effects of projects and their studies often suffer
from methodological as well as data inadequacies. At the national level, NESDB carries out IE of rural poor programmes. Again organisational weaknesses of NESDB and lack of trained staff tend to affect the quality of their studies. Thamasat University's data bank provides valuable base information for any IE studies needing socio-economic data of rural areas.

National Education Commission's institutionalised capabilities in IE has already been mentioned earlier. Their only problem is getting necessary funds for IE studies. Evaluation of Fifth Five Year Educational Plan was carried out through World Banks assistance. IE of Sixth Educational Plan, which NEC is very keen to undertake, is yet to be done due to lack of funds. Through IE of Sixth Educational Plan, NEC also seeks to refine further its methodological approaches including training its staff in data processing and evaluation management.

Impact evaluation is a well recognised concern of the government, but due to organisational weaknesses and financial difficulties, the task is not undertaken as widely as the government would like to. Concern is also expressed about the length of time and cost involved in IE. Government also feels less happy about the gap between the information requirements of the government and the information presented by the evaluators, specially by the external evaluators.

To make it attractive to the government some steps may be initiated to identify some quick and less costly methods of evaluation including training people in the art of developing good terms of reference for evaluation consultants so that some agreement can be reached about the information requirements.

9.4.9 A Comparison of Procedures for the Monitoring and Evaluation of Donor Funded and Nationally Funded Projects

Although Thai government has been showing genuine concern regarding strengthening its M/E at all levels weaknesses with regard to timely and quality reporting, inter-departmental co-ordination and problem solving continue to prevail. However, in some instances where a provincial governo:
or head of a department has shown keen interest in his area or projects, M/E reporting, follow up actions, regular management reviews and periodic supervision and inspection of sites appear to be done quite effectively. 69

For donor funded projects, government's institutional weaknesses in M/E are often overcome through donor support both financial as well as technical. It has been explained in previous sections how in irrigation sector donor support and initiatives helped in strengthening and operationalising an effective M/E system in the department. However, it is also apprehended that these M/E arrangements which have been organised as a part of donor conditionality to the overall project support, may weaken substantially with the cessation of foreign assistance. It is felt that neither the resources nor the staff - and not even interest - may be available to sustain the type of M/E that is developed during donor participation in the project. Moreover donor funded projects achieve better M/E results not only because they initiate an elaborate M/E system within the government, but also due to the fact that they further supplement the system with their own M/E arrangements - field supervision through country missions, regular reporting by the donor-appointed consultants and the periodic assessments done by the supervision missions.

However, poor management of projects, implementation delays and problems of sustainability have prompted the government to improve its overall development management system, particularly M/E. To improve implementation co-ordination, formation of Steering Committees at all levels with departmental heads is underway. Steps are also being initiated to strengthen project management system, particularly for rural development projects, by forming similar Steering committees at the provincial as well as district levels. For encouraging greater private sector participation formation of private/public sector consultative group is envisaged.

69 Governor in the World Bank funded Phitsanlouk Irrigation Project area has institutionalised a system of regular review of the project. Similarly, the Director General of ALRO takes special interest in overseeing the day-to-day progress of the projects implemented by his department.
All these new initiatives are yet to be operational and when they do the main effort should be to sustain them and make them meet on a regular basis discussing specific issues leading to management decisions.

9.4.10 **Key Issues**

The analysis of the current M/E arrangements in Thailand highlight the following trends:-

- that M/E in the past was mainly organised through individual line departments and on an isolated manner. These isolated efforts resulted into conflicts and complications affecting implementation.

- that weak and/or absence of any co-ordinating role by the centre made the M/E initiatives including efforts at improving the efficiency at the project management level heavily dependent upon initiatives of individuals heading the line departments. Over the years, the change of personalities heading these departments and their varied attitudes towards project administration seemed to have had significant influence on the performance of the projects. Some heads of the department with higher level of commitment in efficient implementation of projects showed more interest in M/E than others.

- that lack of a centralised information system also affected cataloguing of all project data in one place. In Thailand it is very difficult to know exactly how many projects are currently implemented and how many have been completed so far; where are they located and what purpose are they serving etc. This lack of centralised information system clearly affects development planning risking duplication.

- that the only centralised monitoring system - that of Bureau of Budget - which covers not more than 50% of the projects, deal with financial data only.
that M/E efforts at some line departments initiated and operationalised through donor support, have the risk of weakening with the exodus of donor funding. These donor-funded M/E approaches, although for similar sort of projects, may vary from one another depending on who is funding it. Say for projects of Irrigation Department which are funded by several donors - ADB, World Bank and EEC - have adopted different M/E approaches as per individual donor requirements. This sort of multi-approaches created confusions and waste time and energy.

that some M/E monitoring efforts are limited to data gathering only with little or no feed back including lacking initiatives in problem solving. This has resulted in irregular reporting - as the project managers do not feel very motivated - and lack of quality control on data also results into reporting of inaccurate date. In other cases, project managers feel threatened as they see it one way of finding faults with them rather than being of any help. This has resulted in untruthful reporting.

that implementation monitoring is weakest at the provincial and district levels particularly for multi-agency participated projects. Problem of inter-departmental co-ordination is becoming a genuine concern of the government.

from the organizational point of view, each M/E unit be it at central, departmental or provincial level, suffers from staffing and training problems. Staff for M/E inadequate as it is, often are burdened with extra works other than monitoring. Lot of them also lack training in M/E. National Institute of Development Administration (NIDAL) who trains government officials in project management is more equipped with project appraisal rather than project monitoring capabilities. Lack of career opportunities of M/E officials who are often located in engineering or other discipline-based organization than their own (for example, M/E staff in irrigation department), finds inadequate motivation to perform efficiently. Moreover, the users of M/E the project and line managers who are required to appreciate the value of
monitoring and often require to participate in the M/E process are not very oriented to or trained in M/E.

- That sustainability monitoring is the weakest, if not non-existent in all M/E activities in the in Thai system. Only in one or two projects where donors are supporting the operation and maintenance phase, that sustainability monitoring as a part of M/E activity has become a practice.

- That impact evaluation as a part of development management - except in National Education Commission - is yet to become an institutionalised process.

Fortunately, Thai government is becoming increasingly aware of these weaknesses. Sixth Five Year Plan envisages several measures to improve the situation - formation of Steering Committees, strengthening of planning and co-ordinating units at the provincial and district level etc. But these efforts have to be backed up by staffing, training and indeed some centralised control to oversee the continued functioning of the new initiatives.

Measures should also be taken, in addition to strengthening of implementation monitoring systems, to institutionalise and structure the Sustainability Monitoring and Impact Evaluation Systems to the emerging overall development management system of the government.
PROJECT PLANNING SYSTEM IN THAILAND

- KING
- LINE DEPT./MINISTRY
- PROVINCIAL GOVERNORS
- MINISTER
- DONORS

DIAGRAM 18

PROJECT PROPOSALS → NESDB

NESDB → CABINET

NESDB = National Economic & Social Development Board
BB = Bureau of Budget
MOF = Ministry of Finance
CGO = Comptroller General's Office
DTECH = Department of Technical Co-operation
THAILAND: M/E PROCESS FOR IRD PROJECTS

MOAC = Ministry of Agriculture & Co-operatives

① = Trimester Reporting

△ = Review Meetings
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LIST OF KEY INFORMANTS

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