

**Australia-World Bank Growth and Prosperity in the Philippines (AGaP) Trust Fund  
Independent Midterm Review  
(March 2019 – December 2021)**

**DFAT Management Response**

DFAT thanks the World Bank Office in Manila for commissioning the Independent Midterm Review (MTR) of the Australia-World Bank Growth and Prosperity in the Philippines (AGaP). The review was led by Beth Elson, an independent evaluator, supported by Moira Enerva as co-evaluator.

The Australia-World Bank Growth and Prosperity in the Philippines (AGaP) is a strategic partnership between Australia, through the Australian Embassy to the Philippines, and the World Bank, through its Philippines Country Office. The Trust Fund provides funds and technical expertise to facilitate knowledge exchange that will assist the Government of the Philippines (GOP) in the design and implementation of policy reforms and programs.

AGaP forms part of Advancing Multilateral Partnerships for Economic Development (AMPED), DFAT's broader economic governance investment in the Philippines. AMPED is managed by the Australian Embassy as a single aid investment to ensure coherence of activity selection across a range of multilateral partnerships to contribute to the Philippines' rapid, sustainable, and inclusive economic growth.

This review captured AGaP implementation and results achieved from March 2019 through December 2021 covering seven AGaP-funded projects. It identified key findings and lessons regarding the implementation of the AGaP during the covered review period. This included reviewing the trust fund's response to the COVID-19 pandemic. It provided recommendations on how to improve the governance and implementation of the Trust Fund. DFAT has reflected on the findings and recommendations presented by the midterm review. This document provides DFAT's responses to the relevant recommendations.

March 2023

*The AGaP Midterm Review provided the following recommendations for DFAT's and World Bank consideration. DFAT management responses are provided for those that are either addressed to DFAT or both DFAT and WB.*

## Recommendations

### 1. On Gender Equality [for DFAT and WB]

- Revise the Trust Fund Operations manual to include clearer expectations on gender equality and women's economic empowerment, and the AGaP results framework to include gender as a cross-cutting theme, consistent with the grant proposals and reporting templates.

*DFAT agrees. DFAT will work with the World Bank to revise the Trust Fund Operations manual to ensure that reporting on gender equality and women's empowerment progress and results is explicit and visible in six-monthly and annual reports. For new proposals to be supported under the Trust Fund, increased effort will be made to develop gender equality indicators, which will assist the program to improve reporting on gender, and lessons learned.*

### 2. On Disability [for DFAT and WB]

- Revise the Operations Manual to include clearer expectations on disability, and social inclusion considerations more broadly.

*DFAT agrees. For new proposals to be supported under the Trust Fund, increased effort will be made to develop disability inclusion objectives. DFAT will continuously work with the AGaP Operations Secretariat to ensure that disability-inclusion objectives are developed where it makes sense. As part of the revision of the Trust Fund Operations Manual, disability reporting will be made explicit and visible in the reports to be submitted to DFAT. This includes reporting and analysis on the extent to which investments have actively involved people with disabilities and/or disabled people's organisations in planning, implementing, monitoring and evaluating the program's impact on people with disabilities and to what extent barriers and opportunities have been identified and addressed for people with disabilities to enable them to benefit equally.*

### 3. On Sustainability [for DFAT]

- The partnership should better utilise resources and diplomacy from DFAT, in particular the Ambassador, to improve the sustainability of AGaP.

*DFAT partially agrees. Future activities under the trust fund should reference the objectives laid out in the recently released Philippines Development Plan 2023-28. DFAT will seek to improve engagement with Philippine counterparts and involvement in policy reform discussions to strengthen visibility and impact of our development assistance, as well as broader coherence with other bilateral assistance. DFAT will seek opportunities to involve senior officers, including the Head of the Mission (Ambassador). DFAT will seek opportunities to communicate*

*achievements and share knowledge gained under the Trust Fund with Philippine partners, development partners and Australian stakeholders by developing a joint communications plan for the AGaP Trust Fund with the World Bank.*

#### **4. On Monitoring, evaluation and reporting**

- Discuss and agree in the Operations Committee allocation of sufficient M&E resources and costing, including a clear process and frequency for updating the M&E Plan.<sup>1</sup> **[for DFAT and WB]**

*DFAT agrees. Clear process and guidance on updating the M&E Plan will also be covered in the planned updating of the Operations Manual.*

#### **5. The future of AGaP [for DFAT and WB]**

- AGaP should continue as a single donor programmatic Trust Fund beyond its current end date (30 June 2024).
- AGaP should facilitate a deeper examination of the types of economic reforms that can facilitate poverty reduction to improve the quality and resilience of economic growth. This should include agreeing gender-related targets for the next phase of AGaP and examining the correlations between poverty and Indigenous Peoples.
- AGaP should strengthen considerations of climate change, and its integration with disaster resilience, in its policy work. For example, infrastructure, energy transition, digitisation, and natural resource stewardship.

*DFAT agrees in principle that continuing AGaP as a single donor programmatic Trust Fund will provide the flexibility needed to achieve AGaP's intended outcomes. However, decisions on the future of AGaP will be made in the context of the upcoming review of all partnerships under our Advancing Multilateral Partnerships for Economic Development (AMPED) investment. We will make decisions on another phase through that process.*

*DFAT will discuss this further with the World Bank once the results of the review are available. Nevertheless, the suggested sectors for consideration under the Trust Fund that need further strengthening are well noted and will be taken onboard in future discussions.*

*The revision of the Operations Manual will provide more clarity and guidance on expectations in terms of quality and financial reporting, narrative on priority policies (e.g., GEDSI) as well as on communications. The exercise will also provide an opportunity to revisit the processes involved in the implementation of the Trust Fund and streamline the respective roles and responsibilities of both DFAT and the World Bank in program management.*

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<sup>1</sup> For reference DFAT's Design and Monitoring & Evaluation Standards provide a guideline that 4-7% of budget is allocated for M&E.