

FINAL REPORT

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support

Strategic Monitoring and Evaluation (M&E) 105719

SUBMITTED TO:



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| I. BASIC DETAILS | | | |
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1 Drawn from multiple sources: UNEG, *Norms and Standards for Evaluation*, 2016; World Bank, *Managing Evaluations: A How-To Guide for Managers and Commissioners of Evaluation*, 2015; ADB Guidelines for the Preparation of Country Assistance Program Evaluations and Country Partnership Strategy Final Review and Validations, 2015; UNODC, *Evaluation Handbook*, 2012; UNDP, *Handbook on Planning, Monitoring, and Evaluating for Development Results*, 2009; Austrian Development Cooperation, *Guidelines for Project and Programme Evaluation*, 2009

II. TABLE OF CONTENTS

| | |
|---|-----|
| I. Basic Details | 2 |
| II. Table of Contents | 3 |
| III. Acknowledgements | 6 |
| IV. List of Acronyms and Abbreviations | 7 |
| V. Executive Summary | 9 |
| VI. Introduction | 11 |
| VII. Description of the Program | 13 |
| VIII. Purpose of the Evaluation | 15 |
| IX. Key Questions, Scope and Limitations | 16 |
| X. Methodology | 18 |
| XI. Findings | 22 |
| A. Findings on the Evaluability of MSMEDP and Each Component Programs | 22 |
| B. Integration of Overall Findings | 80 |
| 1. On Evaluability of MSMEDP and its Six Programs | 80 |
| 2. On Program Design | 80 |
| 3. On Availability of Data | 83 |
| 4. On Periodicity | 87 |
| 5. On Stakeholders' Demand | 88 |
| 6. On Robustness of the M&E System | 89 |
| 7. On Relevance, Effectiveness, Efficiency and Sustainability | 92 |
| 8. On Effects of the Covid-19 Pandemic | 94 |
| XII. Summary and Explanation of Findings and Interpretations | 95 |
| XIII. Conclusions and Recommendations | 97 |
| XIV. Lessons Learned, Generalizations, and Alternatives | 99 |
| XV. Annexes | 100 |
| A. Terms of reference for the evaluation | 100 |
| B. List of documents reviewed | 112 |
| C. Survey instruments | 114 |
| D. KII/FGD Guide questions | 149 |
| E. List of individuals interviewed or consulted | 164 |
| F. Documentation of conducted FGDs | 166 |
| G. National Evaluation Policy Framework (NEPF) Evaluability Checklist | 186 |
| H. Short biographies of the evaluators | 187 |

LIST OF TABLES

| | |
|---|----|
| Table 1. Summary Matrix of Methodology | 20 |
| Table 2. MSMEDP Indicators and Possible Sources of Data | 25 |
| Table 3. Results Chains Linking the Various Programs with MSMEDP | 26 |
| Table 4. Logical Framework and Indicators for the KMME following the validated TOC | 29 |
| Table 5. Validated Logical Framework for P3 | 31 |
| Table 6. Validated Logical Framework for NC | 33 |
| Table 7. SSF Logical Framework | 35 |
| Table 8. OTOP Logical Framework | 38 |
| Table 9. SETUP Logical Framework | 40 |
| Table 10. KMME Program Implementation Structure | 47 |
| Table 11. Monitoring of KMME Respondents (Beneficiaries) | 48 |
| Table 12. Monitoring Activities for P3 | 49 |
| Table 13. Monitoring Activities for Negosyo Center | 51 |
| Table 14. Monitoring Activities for SETUP | 54 |
| Table 15. Respondent's Perception on KMME Effect on Business Efficiency | 57 |
| Table 16. Perception of Loan Efficiency | 59 |
| Table 17. Perception on the Training Efficiency of NC | 63 |
| Table 18. Willingness to Avail and Recommend NC to Other Clients | 64 |
| Table 19. Perception of SSF Relevance, Effectiveness, Efficiency, and Sustainability | 64 |
| Table 20. Perception of NC Relevance, Effectiveness, Efficiency, and Sustainability | 66 |
| Table 21. Perception of SETUP relevance, effectiveness, efficiency, and sustainability | 69 |
| Table 22. Negative and positive effect of the pandemic on the KMME beneficiary respondent | 72 |
| Table 23. Effect of Pandemic on the Monthly Revenue of MSME KMME Beneficiary Respondents | 72 |
| Table 24. Lessons Learned from the Lockdown | 73 |
| Table 25. Effect of Pandemic on the Monthly Revenue of MSME P3 Beneficiary Respondents | 73 |
| Table 26. Lessons Learned from the Lockdown | 74 |
| Table 27. Revenue per Month Before and During the Pandemic | 75 |
| Table 28. Pandemic Resilience (SSF) | 75 |
| Table 29. Pandemic Resilience (SETUP) | 77 |
| Table 30. Pandemic Resilience (OTOP) | 79 |
| Table 31. Evaluability of MSMEDP and its programs | 80 |
| Table 32. Program of the Six MSMED Component Programs | 80 |
| Table 33. Data Availability of the Six MSMED Component Programs | 84 |
| Table 34. Periodicity of the Six MSMED Component Programs | 87 |
| Table 35. Stakeholder's Demand of the Six MSMED Component Programs | 88 |
| Table 36. Status of the M&E System of the Six MSMED Component Programs | 89 |
| Table 37. Robustness of the M&E System of the Six MSMED Component Programs | 90 |
| Table 38. Database Management of MSMED Component Programs | 91 |

LIST OF FIGURES

| | |
|---|----|
| Figure 1. Results-based monitoring and evaluation framework. | 11 |
| Figure 2. Evaluability assessment framework (UNDP) | 12 |
| Figure 3. Theory of change and impact pathway | 12 |
| Figure 4. MSMEDP results framework | 14 |
| Figure 5. TOC diagram, KMME | 28 |
| Figure 6. P3 Theory of Change. | 30 |
| Figure 7. Validated <i>Negosyo</i> Center Theory of Change, Evaluability Assessment Project in 2020 | 32 |
| Figure 8. <i>Negosyo</i> Center Theory of Change, Impact Assessment Study in 2019 | 32 |
| Figure 9. Theory of Change for Shared Service Facilities (SSF) Project | 34 |
| Figure 10. TOC diagram, OTOP | 37 |
| Figure 11. Theory of Change of SETUP | 39 |
| Figure 12. KMME monitoring template | 43 |
| Figure 13. Client Profile and Monitoring System (CPMS) | 45 |
| Figure 14. <i>Negosyo</i> Center information and reporting flow | 50 |
| Figure 15. Respondent's perception on KMME relevance | 56 |
| Figure 16. Respondent's perception on KMME effectiveness. | 57 |
| Figure 17. Respondent's perception on KMME sustainability. | 58 |
| Figure 18. Respondent's perception on P3 relevance | 58 |
| Figure 19. Respondent's perception on P3 effectiveness. | 59 |
| Figure 20. Respondent's perception on P3 efficiency | 60 |
| Figure 21. Respondent's perception on P3 sustainability. | 60 |
| Figure 22. Perceived relevance of the <i>Negosyo</i> Center. | 61 |
| Figure 23. Perceived effectiveness of the <i>Negosyo</i> Center | 62 |
| Figure 24. Perceived efficiency of the <i>Negosyo</i> Center | 62 |

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IV. LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|----------|--|
| AIM | Asian Institute of Management |
| BC | Business Counsellor |
| BSMED | Bureau of Small and Medium Enterprise Development |
| CIB | Congressional Insertion Budget |
| COA | Commission on Audit |
| COVID-19 | Coronavirus 2019 |
| CPMS | Client Profile and Monitoring System |
| DAP | Development Academy of the Philippines |
| DBM | Department of Budget and Management |
| DOST | Department of Science and Technology |
| DTI | Department of Trade and Industry |
| EDT | Enterprise Development Track |
| ERG | Evaluation Reference Group |
| FGD | Focus Group Discussion |
| HELP | Household Enterprise Livelihood Program |
| KAP | Knowledge, Attitude and Practices |
| KII | Key Informant Interview |
| KMME | <i>Kapatid</i> Mentor ME |
| LGU | Local Government Unit |
| M&E | Monitoring and Evaluation |
| ME | Microenterprise |
| MFI | Microfinancing Institution |
| MSME | Micro, Small and Medium Enterprise |
| MSMEDP | Micro, Small and Medium Enterprise Development Plan |
| NC | <i>Negosyo</i> Center |
| NCP | <i>Negosyo</i> Center Program |
| NEDA | National Economic and Development Authority |
| NEPF | National Evaluation Policy Framework |
| NTWG | National Technical Working Group |
| OTOP | One Town One Product |
| P3 | <i>Pondo sa Pagbabago at Pag-asenso</i> |
| PCE | Philippine Center for Entrepreneurship |
| PDC | Post Dated Cheque |
| PDP | Philippine Development Plan |
| PIDS | Philippine Institute for Development Studies |
| PIS | Project Information Sheet |
| PLEA | Production Loan Easy Access |
| PMMIS | Planning, Monitoring and Evaluation, and Management Information System |
| PMO/PMU | Program Management Office/Program Management Unit |
| PSTC | Provincial Science and Technology Center |
| R&D | Results and Discussion |
| RF | Results Framework |
| RO | Regional Offices |
| ROG | Regional Operations Group |
| RBME | Results-based Monitoring and Evaluation |

| | |
|--------|---|
| S&T | Science and Technology |
| SBC | Small Business Corporation |
| SETUP | Small Enterprise Technology Upgrading Program |
| SSF | Shared Service Facilities |
| SUCs | State Universities and Colleges |
| TNA | Technology Needs Assessment |
| TOC | Theory of Change |
| TOR | Terms of Reference |
| UNDP | United Nations Development Program |
| UPISSI | University of the Philippines Institute of Small-Scale Industries |
| 3M | Money, Market and Mentorship |

V. EXECUTIVE SUMMARY

The Micro, Small and Medium Enterprise Development Plan (MSMEDP) 2017-2022 is the sectoral plan for the growth and advancement of the MSME sector. It aims to provide greater opportunities for entrepreneurs to start up, sustain, expand, internationalize their businesses, and become smarter entrepreneurs. As an integral part of the Philippine Development Plan (PDP) 2017-2022, the MSMEDP's vision is to achieve "more globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth."

In December 2019, the United Nations Development Program (UNDP) called for an Evaluability Assessment of the MSMEDP 2017-2022 in order to determine the evaluability of the MSMEDP and its programs and provide recommendations to enhance evaluability. Specifically, the assessment aimed to: 1) assess the evaluability of the MSMEDP; 2) assess the evaluability of at least six flagship programs (originally five in the TOR) under the MSMEDP (implementation level); 3) determine the efficiency and effectiveness of government's processes to coordinate and facilitate the development, implementation, and monitoring and evaluation of the MSMEDP, including alignment of MSMEDP objectives with the PDP and its results matrix (i.e. oversight level); 4) assess the perception of MSMEs on the relevance and effectiveness of programs that cater to them; and 5) provide recommendations that will lead to the attainment of a business environment conducive to the success of the MSMEDP.

The evaluability assessment was cast against the UNDPs' Results-based Monitoring and Evaluation (RBME) framework and the National Evaluation Policy Framework (NEPF) Evaluability Checklist. The assessment utilized secondary data from available program documents and reports as well as primary data obtained thru survey of MSME beneficiaries, key informant interviews (KIIs) and focus group discussions (FGDs) of program implementers from the Department of Trade and Industry (DTI), Department of Science and Technology (DOST), and the National Economic Development Authority (NEDA). The survey covered a total of 522 samples from programs implemented in the provinces of Ilocos Norte, Nueva Ecija, Laguna, Aklan, Cebu, Eastern Samar, Davao del Sur, Misamis Oriental and Agusan del Norte.

The major findings of the evaluability assessment are as follows:

A. On the evaluability of the MSMEDP and its component programs

1. The MSMEDP and the six component programs are evaluable. The theory of change (TOC) and results framework (RF) are available (reconstructed), plausible, the causal links between the MSMEDP with its component programs are valid and the indicators are clearly specified. The MSMEDP and its programs are fairly in- sync with the indicators and strategies in the MSMED/PDP results framework;
2. The M&E systems of MSMEDP and its component programs are fairly robust, albeit with plenty of rooms for improvement;
3. There exists sufficient stakeholder demand for the evaluation of MSMEDP and its component programs; and
4. The appropriate type of evaluation for each of the programs is either TOC-based performance evaluation or TOC- based impact assessment using mixed-method approach.

B. On the process assessment of the six component programs

1. There is enough empirical evidence to suggest that the MSMEDP and its component programs are relevant, effective, efficient and sustainable; and

2. Full-blown evaluation is warranted to demonstrate program success, as both the MSMEDP and PDP 2017-2022 draw closer to end.

The assessment firmed up that the MSMEDP and its programs are indeed evaluable given the reconstructed TOC and RF or impact pathways and that all six programs are relevant, effective, efficient and sustainable. The assessment puts forward the following recommendations:

1. The TOC narrative and RF established in this evaluability assessment should be adopted by the various program owners as the official TOC and RF for the programs;
2. Officially harmonize the component program outcome indicators with the outcome indicators of MSMEDP;
3. Establish the baseline and outcome targets of the component programs;
4. Address the limitations/gaps in the current M&E systems of the various programs; and
5. Initiate the preparation for the full-blown evaluation of the MSMEDP and its component programs.

Success stories of MSMEs as they navigate for innovative enterprises and business start-ups are truly inspiring, worth documenting and sharing among other MSMEs. Results of these MSME narratives and entrepreneurial journeys coupled with results of future independent and impartial evaluation of the MSMEDP 2017-2022 and its programs will be most useful in advocating for policies and budget support and sustaining national government commitment to advance MSMEs such as the proposed *Pondo sa Pagbabago at Pag-asenso para sa Kaunlaran* (P3) Act, the OTOP Bill, and the KMME policy agenda, among others.

In the future, with government support and MSMEs' willpower, it is hoped that MSMEs would be able to adapt to the challenges of the "new normal" business environment.

VI. INTRODUCTION

The evaluability assessment covers the Micro, Small and Medium Enterprise Development Plan (MSMEDP) 2017-2022 and its six component programs, namely, *Kapatid* Mentor ME (KMME), *Pondo sa Pagbabago at Pag-asenso* (P3), *Negosyo* Center (NC), Shared Service Facilities (SSF), One Town One Product (OTOP), and Small Enterprise Technology Upgrading Program (SETUP). The evaluability assessment was casted against the United Nations Development Program's (UNDP's) Results-based Monitoring and Evaluation (RBME) Framework (**Figure 1**). Unlike performance evaluation, evaluability assessment does not cover the program performance itself. Rather, the main interest is to determine whether the program can be evaluated in an objective, empirical and impartial means.



Figure 1. Results-based monitoring and evaluation framework.

The evaluability assessment was essentially a process assessment. The primary intent was to gauge the extent by which a project or a program can be evaluated in a reliable and credible fashion or whether an evaluation is worthwhile in terms of benefits, consequences, and costs. By gauging the strength of a program and its logic, results of evaluability assessment can be used as basis for specific changes or remedies that must be done to ensure program success. It also included a process evaluation of the six component programs.

The assessment strictly adhered to the technical requirements of the Terms of Reference or TOR (**Annex A**) and with strict reference to the UNDP Monitoring and Evaluation (M&E) Handbook and the National Economic Development Authority (NEDA)-Department of Budget and Management (DBM) Joint Memorandum Circular of 2015 which specified the National Evaluation Policy Framework (NEPF) of the Philippines.

Based on UNDP's Evaluability Assessment Framework, evaluability is assessed by examining program design, data availability and stakeholder's demand (**Figure 2**). Program design is evaluated against clarity, coherence, and relevance. It includes an examination of the theory of change (TOC) and results framework (RF) or impact pathway (**Figure 3**) for plausibility of causal links and assumptions. The M&E system is assessed to establish

adequacy and accuracy in tracking the data needed for the evaluation while stakeholder's demand is examined to establish the key evaluation questions that have to be addressed and the level of stakeholder participation in the evaluation. The NEPF Evaluability Checklist was used to focus on the determinants of evaluability including a thorough review of the process of program implementation and perception of MSMEs on the various programs.

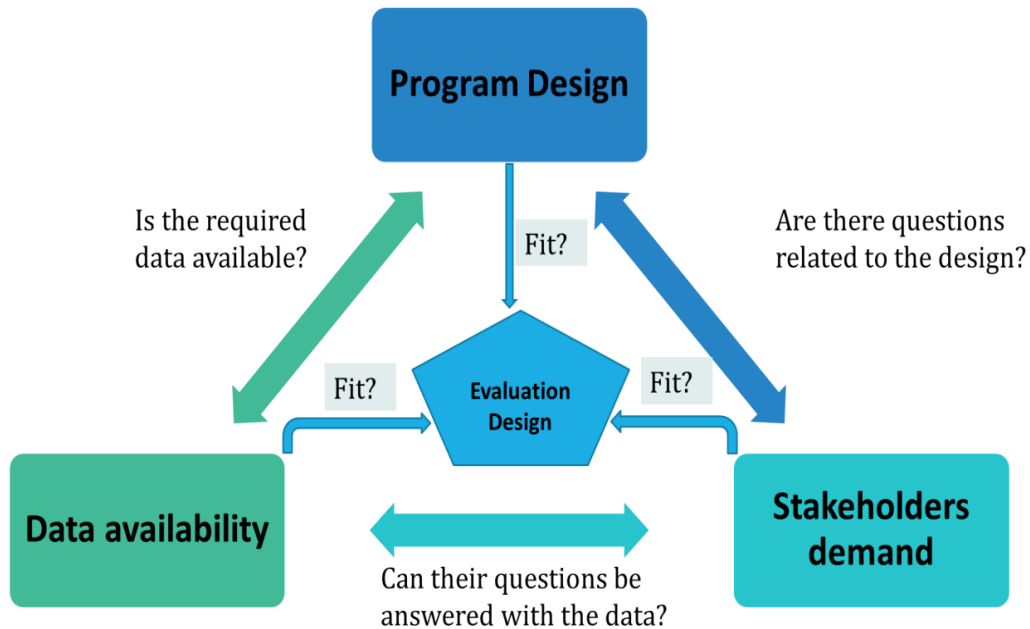
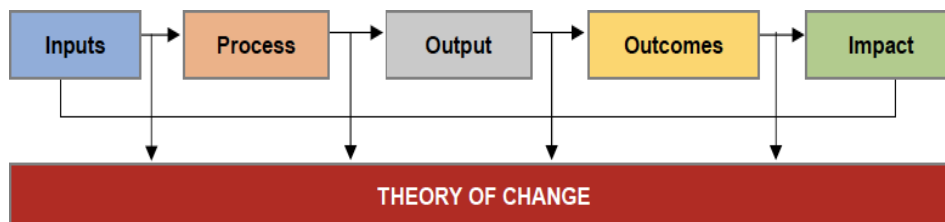


Figure 2. Evaluability assessment framework (UNDP).



KEY EVALUATION QUESTIONS

| |
|---|
| What is the context against which the theory has been formulated? |
| What are the hypothesis of causality? |
| What are the assumptions and their factual basis? |
| What are the evidences to support the theory? |
| Is the theory plausible, testable and meaningful? |

Figure 3. Theory of change and impact pathway.

The MSMEDP and its component programs were reviewed to determine the availability of a TOC and RF. It was found that while MSMEDP did not have an explicit TOC, the descriptive narrative of the plan was adequate to establish the TOC and results framework. However, except for NC, all the component programs of MSMEDP did not have an explicit TOC narrative and RF. To build the TOCs and RFs, a workshop was carried out on March 6, 2020 involving the key personnel of the NEDA, Department of Trade and Industry (DTI), and the Department of Science and Technology (DOST). The initial TOCs and RFs developed during the workshop were subsequently validated in a series of consultations with the relevant personnel from each program.

The primary audience of the evaluability assessment are the: 1) major movers of the MSMEDP *i.e.*, NEDA, DTI, DOST as well as UNDP, which has been assisting NEDA in crafting and rolling-out the NEFP; 2) the DBM, Commission on Audit (COA), upper and lower houses of congress since public resources were used in implementing the plan; and 3) MSMEDP program implementers at the national and field levels.

The report is organized into five major sections. The first section describes the MSMEDP and the six programs covered in the assessment. The second section defines the scope and purpose of the assessment. The third section presents the approach and methods employed including how the data were analyzed. The fourth section includes the discussion of findings/results organized in two parts. The first part presents the findings/results on the evaluability of the MSMEDP and each of its component programs along the evaluability framework and criteria set forth in the UNDP/NEFP: (1) program design as it pertains to the clarity of the intervention, the TOC and results framework, causal link assumptions as well as indicators of performance; (2) data availability, sufficiency, and applicable methods of analysis; and (3) stakeholder's demand and utility of the evaluation to the various stakeholders of the program. The first part also presents the findings/results of the process evaluation of each of the flagship programs which dealt mainly on the questions of relevance, effectiveness, efficiency and sustainability. The second part provides an integration of the over-all findings including summary matrices. The last section of the report presents the conclusion and puts forward specific recommendations, lessons learned and generalizations.

VII. DESCRIPTION OF THE PROGRAM

The Micro, Small and Medium Enterprise Development Plan (MSMEDP) 2017-2022 is an integral part of the Philippine Development Plan (PDP) 2017-2022. The PDP is founded on the three pillars of “*trabaho*”, “*negosyo*” at “*kabuhayan*.” The MSMEDP is linked directly to the “*negosyo*” component of the PDP and constitutes the overall plan to achieve the PDP goals on improving business environment, business capacity and business opportunities in the country.

Since the MSMEDP did not have an explicit theory of change (TOC), the TOC was recreated from the plan's descriptive narrative during the March 6, 2020 workshop. The reconstructed TOC narrative describes the context with which the MSMEDP operates as follows:

“Micro, small and medium scale enterprises (MSMEs) in the Philippines are constrained among others, by a generally poor business environment brought about by poor business climate and limited access to finance; limited business capacity due to limited capacity of management and labor as well as limited access to new technologies and innovations; and inadequate business opportunities as reflected in limited access to market. If nationwide or at least a significant geographical scale improvement can be made on business climate, access to finance, management and labor capacity, access to technology /innovation and market, there will be significant improvement in global competitiveness of MSMEs, make them more

resilient and sustainable and serve as the major drivers of inclusive economic growth in the Philippines. With all other things held constant, these can be achieved by simplifying and harmonizing rules related to MSMEs, simplifying and streamlining loan processes, mentoring and training MSMEs management and labor, supporting linkages between MSMEs and large corporations, developing lucrative business models and social enterprises and by making technologies and market accessible”.

The MSMEDP Results Framework (RF) accompanying the reconstructed TOC is shown in **Figure 4**. The vision of MSMEDP is to achieve “more globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth”.

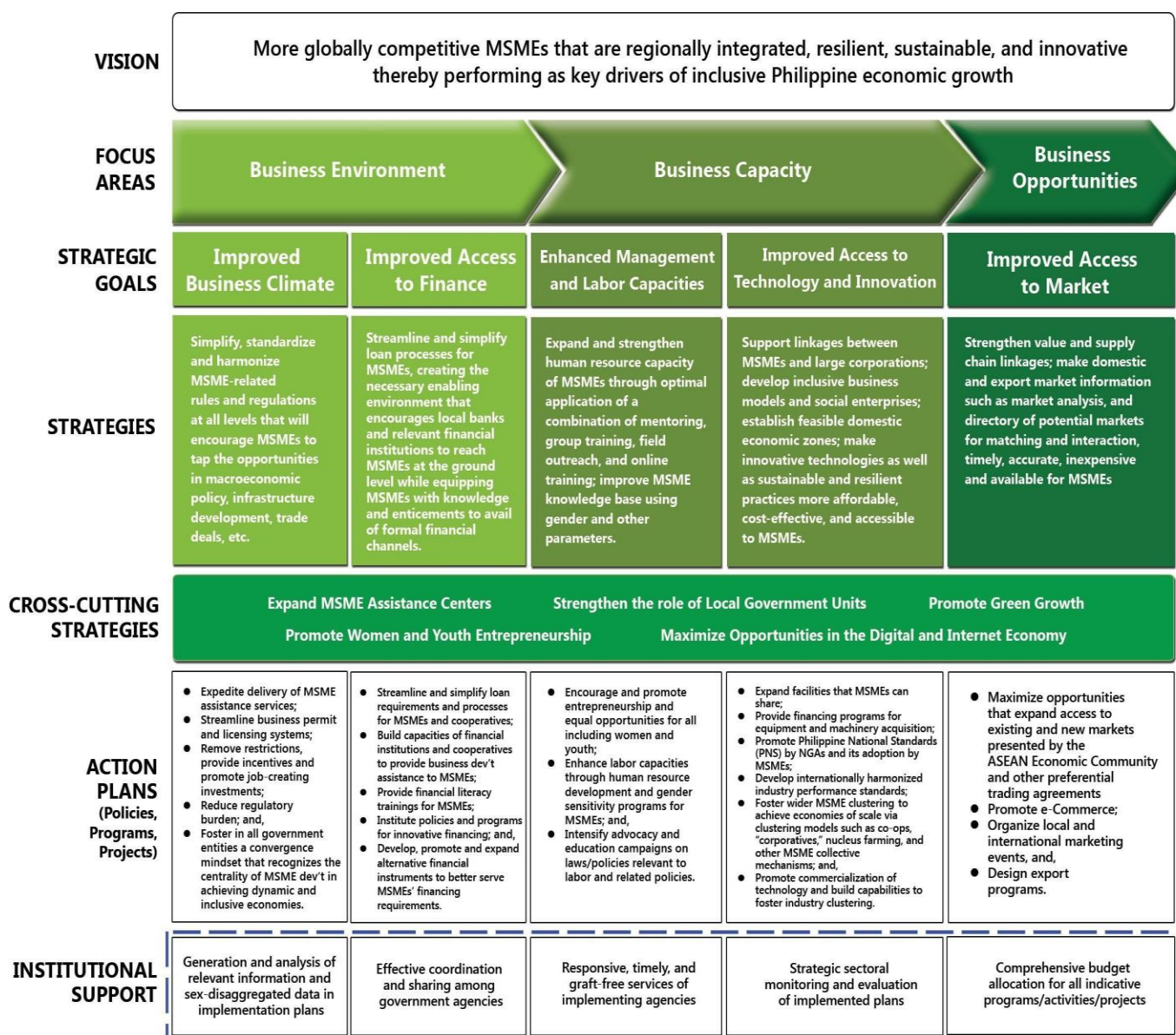


Figure 4. MSMEDP Results Framework.

It has three focus areas, namely: i) **business environment**, with emphasis on improving the business regulatory requirements and procedures as well as maximizing access to finance; ii) **business capacity**, with the aim of strengthening human capital development and improving innovation and technological competitiveness of MSMEs to transform and create new business models and enterprises; and, iii) **business opportunities**, with the aim of

broadening access to markets. These are cascaded into five strategic goals that are to be achieved through the six programs covered in the evaluability assessment as follows:

1. **Improved Business Climate: Establishment of Negosyo Centers (NCs)** to strengthen the country's MSMEs as enabled by Republic Act (RA) 10644 or the Go *Negosyo* Act of 2014.
2. **Improved Access to Finance: *Pondo sa Pagbabago at Pag-asenso (P3) Program*** thru a fund managed by the Small Business Corporation (SBC) and accessed through MFIs or cooperatives.
3. **Enhanced Management and Labor Capacity: *Kapatid Mentor ME (KMME)***, a coaching and mentoring program tailored to help micro and small businesses scale up their enterprise, spur economic activity and generate employment opportunities.
4. **Improved Access to Technology and Innovation: *Small Enterprise Technology Upgrading Program (SETUP)*** aimed to encourage MSMEs to adopt technologies and innovations, increase productivity and competitiveness; and establish or sustain market niches.
5. **Shared Service Facilities (SSF)** to improve business capacity and increase MSME productivity through better access to technology; accelerate MSME competitiveness with improved product quality, conformity to standards as well as price competitiveness.
6. **Improved Access to Market: *One Town One Product (OTOP)*** to promote entrepreneurship, create jobs, promote use of indigenous raw materials with competitive advantage, as well as local skills and talents, and drive inclusive local economic growth.

In terms of scale of interventions, the six programs have been implemented as follows:

- From 2016 to 2019, the KMME program has covered 101 provinces and cities and reached 30,980 MSMEs.
- As of May 31, 2020, 1,129 NCs were established all over the country, 47 percent are located in Luzon, 25 percent in the Visayas and 28 percent in Mindanao.
- As of August 2020, the P3 Program has served all 85 provinces including the 30 poorest provinces initially targeted.
- From 2017 to 2020 a total of 526 SSF projects were established; a grand total of 2,650 SSFs were established since 2013 spread across 82 provinces and seven cities that include Metro Manila.
- Since 2017, OTOP program has assisted 41,006 MSMEs and developed 24,199 products. As of 2020, there are 61 physical OTOP Hubs established across the country.
- In its 17 years of implementation, SETUP has supported more than 4,000 program beneficiaries (DAP, 2019).

VIII. PURPOSE OF THE EVALUATION

In 2019, the Micro, Small and Medium Enterprise Development Plan (MSMEDP) 2017-2022 was on its 3rd year or midway of program implementation. In December 2019, the United Nations Development Program (UNDP) called for an Evaluability Assessment of Micro, Small and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support. The main interest of the evaluability assessment was to ascertain whether the plan and component programs can be evaluated in an objective, empirical and impartial means.

The purpose of the evaluability assessment was to determine the evaluability of the MSMEDP 2017-2022 and its six component programs and provide specific recommendations to enhance evaluability. The specific objectives as prescribed in the Terms of Reference (TOR) for this assessment were to:

1. assess the evaluability of the MSMEDP;
2. assess the evaluability of at least six flagship programs (originally five in the TOR) under the MSMEDP (implementation level);
3. determine the efficiency and effectiveness of government's processes to coordinate and facilitate the development, implementation, and monitoring and evaluation of the MSMEDP, including alignment of MSMEDP objectives with the PDP and its results matrix (i.e., oversight level);
4. assess the perception of MSMEs on the relevance and effectiveness of programs that cater to them; and
5. provide recommendations that will lead to the attainment of a business environment conducive to the success of the MSMEDP.

The evaluability assessment was essentially a process assessment. It aimed to enhance the evaluability and implementation of the MSMEDP and its various programs. The primary intent was to gauge/ ascertain the extent by which the programs or projects can be evaluated in a reliable and credible fashion or whether an evaluation is worthwhile in terms of benefits, consequences, and costs. The results of evaluability assessment will be used as basis for specific changes or remedies that must be done to ensure program success.

The evaluability assessment was conducted at the height of the Corona Virus 2019 (COVID-19) pandemic. Although not part of the original TOR, UNDP deemed it appropriate to include in the evaluability assessment an initial assessment of the impact of COVID-19 to MSMEDP program implementation in selected provinces and to MSMEs in general.

IX. KEY QUESTIONS, SCOPE AND LIMITATIONS

Key Questions and Scope

The evaluability assessment of the Micro, Small and Medium Enterprise Development Plan (MSMEDP) and its programs made use of the National Evaluation Policy Framework (NEPF) Evaluability Checklist to focus the investigation on aspects/criteria and key questions which are considered determinants of evaluability as follows:

Clarity of the intervention – does the subject of evaluation have a clear logical framework or TOC? Are the objectives, outcomes, and outputs clearly defined? Are the indicators clearly stated?

Availability of data – is sufficient data collected against the indicators? Is there baseline data? What methodology can be used given the available data? The in-depth evaluability assessment is expected to delve into this evaluability criterion in detail, assessing the robustness of administrative data collection and M&E systems and how these link to broader national and agency-level planning and budgeting processes.

Stakeholder interest and intended use – how can decision-makers use the evaluation to improve program design, implementation, and resource allocation? Are there socio- political factors that could hinder the conduct of the evaluation?

Availability of resources for the evaluation – are there enough financial, human, and knowledge resources to conduct the evaluation? How much is required?

The above questions were further refined through a consultative process to derive insights and conclusions on the major evaluability criteria specified in the Terms of Reference (TOR) as follows:

Relevance

- Are the results frameworks of the MSMEDP and its key flagship programs clearly outlined, with well-articulated results and well-defined indicators? How well do these results frameworks synergize with each other and with the broader PDP results matrix?
- To what extent have the MSMEDP, its objectives, and component programs have been relevant to the MSMEs themselves? Are there mechanisms which enable the government to regularly assess the relevance of its programs to MSMEs?

Effectiveness

- How can M&E systems be set up to enable the measurement of the contribution of MSMEDP and its flagship programs to the productivity, job generation, and other relevant socio-economic outcomes? Can this contribution be assessed using available data? What other data generation means can be utilized?
- Are the indicators and targets set in the MSMEDP reflective of the intentions of the plans' objectives and strategies? Are data collection systems in place to measure achievement?
- In the perspective of stakeholders, to what extent have the MSMEDP and component programs helped MSMEs with their needs at key stages in their life cycle?

Efficiency

- Have government interventions been implemented efficiently? What are the efficiency constraints that remain unaddressed?
- What are the existing coordination and implementation mechanisms in implementing the MSMEDP and its component programs? Are the implementation and coordination mechanisms conducive for achieving expected results?
- Are the flagship programs implemented cohesively at both national and local levels? Are the processes and structures in place capable of delivering and measuring the intended results: from inputs, to outputs, and to outcomes?
- Was there an appropriate level of financing to implement the MSMEDP?

Sustainability

- Are the government interventions for MSMEs sustainable? Can government M&E enable the assessment of the sustainability of benefits to MSMEs?
- How can the Department of Trade and Industry, which leads the MSME Development Council and serves as its secretariat, strengthen its M&E systems for the MSMEDP in a way that enables it to measure outcomes and impact of interventions rigorously?
- How can the various implementing agencies of MSME development interventions strengthen their M&E systems and pursue evaluations to support the overall M&E system of the MSMEDP?

Limitations of the study

1. The study was conducted at the height of the pandemic thus the difficulty in gathering field data while primary data were gathered. Nonetheless, it took a while due to the pandemic;
2. Very long process of review of questionnaire by getting clearance from the Philippine

- Statistics Authority which considerably dragged the implementation of the survey;
3. Long and tedious process of validating the TOC and RF due to the busy schedule of the respective program PMOs; and
 4. To accommodate UNDP's request for the inclusion of an initial assessment of the impact of COVID-19, the research instruments had to be further refined which delayed the conduct of the survey. It should be emphasized that the study team was able to accommodate the request even though it was not part of the original terms of reference.

X. METHODOLOGY

The evaluability assessment involved the following steps: 1) review of program documentation; 2) analysis of the information system defined in the program or related to the program and determination of information needs; 3) interview of main stakeholders; and 4) analysis of the program in the context of the theory of change (TOC) and impact pathway framework using both quantitative and qualitative techniques (mixed method).

Data Sources and Sampling

Secondary data were obtained from available program documents and review of literature on similar local and international programs, which may give credence to or refute the assumptions of the Micro, Small and Medium Enterprise Development Plan (MSMEDP) and its programs (**Annex B**). Primary data were obtained thru survey of beneficiaries, key informant interviews (KIIs), and focus group discussions (FGDs) of program implementers and stakeholders.

Given the nationwide character of the MSMEDP programs with a large number of beneficiaries from among micro, small and medium scale enterprises, the sampling covered areas in Luzon, Visayas and Mindanao. For each program, the top three (3) provinces in terms of program coverage/reach were selected from which ten program beneficiaries were randomly selected. The total samples for each program were 90 or a grand total of 540 samples.

Structured questionnaires were prepared, pre-tested and personally administered to the survey respondents. These consisted of a set of questions intended for the evaluation of the MSMEDP as a whole and a set of questions for each specific program.

A total of 63 KIIs and eight (8) FGDs with at least 10 KIIs and one (1) FGD per program were carried out. The KIIs and FGDs involved program implementers from the Department of Trade and Industry (DTI), Department of Science and Technology (DOST) and the National Economic and Development Authority (NEDA).

The evaluability assessment covered MSMEDP program implementation in the provinces of Ilocos Norte, Nueva Ecija, Laguna, Aklan, Cebu, Eastern Samar, Davao del Sur, Misamis Oriental and Agusan del Norte.

On per program basis, the survey instrument and KII/FGD guide questions were appended as **Annex C** and **Annex D** while **Annex E** presents the list of individuals interviewed. The documentation of the eight (8) FGDs conducted is also appended as **Annex F**.

Analytical Techniques

The evaluability assessment entailed the review of existing/available TOC and results framework. While the MSMEDP did not have an explicit TOC, the descriptive narrative of the plan was adequate to establish the TOC and RF. Except for *Negosyo Center*, the other programs did not have a TOC narrative and RF. To build the TOCs and RFs, a workshop was carried out on

March 6, 2020 involving key personnel of NEDA, DTI, and DOST. The initial TOCs and RFs developed during the workshop were subsequently validated in a series of consultations with relevant program personnel. The finalized reconstructed TOCs and RF are discussed in Section 11.

In assessing the evaluability of the MSMEDP and its component programs (Objectives 1 and 2), the criteria spelled out in the NEPF/UNDP Evaluability Checklist were examined. A consultative process was also undertaken to draw insights on the following parameters: relevance, effectiveness, efficiency, sustainability. A review of the process of program implementation as well as gathering of initial perceptions of MSMEs were also conducted to surface their recommendations to enhance the evaluability and implementation of the MSMEDP and its various programs.

In determining the efficiency and effectiveness of government processes relative to MSMEDP implementation and alignment of MSMEDP objectives with the PDP results matrix (Objective 3), the assessment entailed a thorough review of all processes employed to coordinate and facilitate the development, implementation and M&E of MSMEDP. Analysis of efficiency and effectiveness was done by mapping the coordination of inputs, process, and outputs. Factors contributing to inefficiencies and factors affecting effectiveness were identified. The perception of entities being coordinated (e.g., program implementors/key players, MSMEs, etc.) were obtained and analyzed. The alignment of MSMEDP objectives with the PDP and its results matrix was examined by matching the MSMEDP development logic with that of the PDP and whether specific complementarities exist between the MSMEDP and the PDP.

In assessing the perception of MSMEs on the relevance and effectiveness of programs that cater to them (Objective 4), an actual survey of MSMEs was undertaken. A Likert-scale was designed to gauge the MSMEs' level of agreement/disagreement to statements probing the relevance and effectiveness of the subject programs. Apart from the general perception survey, case studies of MSMEs which have already benefitted from the various programs were carried out to build a substantial narrative on the relevance and effectiveness of the MSMEDP programs.

The summary matrix of methodology is presented as **Table 1**.

Table 1. Summary matrix of methodology

| Parameter | Evaluation Questions | Standard Measure or Elements to look for | Data Collection Tools | Source of Data |
|-----------------|---|--|--|--|
| 1. Evaluability | <p><u>Clarity of the intervention</u> – does the subject of evaluation have a clear logical framework or theory of change? Are the objectives, outcomes, and outputs clearly defined? Are the indicators clearly stated?</p> <p><u>Availability of data</u> – is sufficient data collected against the indicators? Is there baseline data? What methodology can be used given the available data? The in-depth evaluability assessment is expected to delve into this evaluability criterion in detail, assessing the robustness of administrative data collection and M&E systems and how these link to broader national and agency-level planning and budgeting processes.</p> <p><u>Stakeholder interest and intended use</u> – how can decision-makers use the evaluation to improve program design, implementation, and resource allocation? Are there socio-political factors that could hinder the conduct of the evaluation?</p> <p><u>Availability of resources for the evaluation</u> – are there enough financial, human, and knowledge resources to conduct the evaluation? How much is required?</p> | <p>Examination of the TOC as to the context of the plan, the hypotheses of change, explicit and implicit assumptions, evidences to support the theory, whether the theory is plausible, doable, testable and meaningful.</p> <p>Clarity, coherence and relevance of program design and its logic based on well-defined/explicit (re-constructed) TOC narrative and results framework or impact pathway</p> <p>Robustness of the M&E system including well-defined outputs and outcome indicators, established baselines and targets, adequacy and accuracy of data needed for evaluation, clear/detailed M&E plan i.e. data collection including forms/templates, data organization and analysis, database management and performance reporting</p> <p>Support of stakeholders and program implementers and level of participation in the evaluation</p> | <p>Review of program documents and reports</p> <p>Review of literature</p> <p>TOC workshop</p> <p>NEFP Evaluability Checklist</p> <p>Key informant interviews</p> <p>Focus group discussions</p> | <p>Program implementers and key players from DTI, DOST, NEDA</p> |
| 2. Relevance | <p>Are the results frameworks of the MSMEDP and its key flagship programs clearly outlined, with well-articulated results and well-defined indicators? How well do these results frameworks synergize with each other and with the broader PDP results matrix?</p> <p>To what extent have the MSMEDP, its objectives, and component programs have been relevant to the MSMEs themselves? Are there mechanisms which enable the government to regularly</p> | <p>Perception of program implementers and key players on program relevance</p> <p>MSME's level of agreement/disagreement to statements probing relevance and effectiveness of programs</p> <p>Alignment of MSMEDP objectives with PDP results matrix, valid causal links between the MSMEDP with its component programs and clearly-specified indicators</p> | <p>Review of program documents and reports</p> <p>Survey</p> <p>Key informant interviews</p> <p>Focus group discussions</p> <p>Case study of MSME program beneficiaries</p> | <p>Program implementers from DTI, DOST, NEDA</p> <p>MSMEs</p> |

| Parameter | Evaluation Questions | Standard Measure or Elements to look for | Data Collection Tools | Source of Data |
|------------------|--|--|---|---|
| | assess the relevance of its programs to MSMEs? | | | |
| 3. Effectiveness | <p>How can M&E systems be set up to enable the measurement of the contribution of MSMEDP and its flagship programs to the productivity, job generation, and other relevant socio-economic outcomes? Can this contribution be assessed using available data? What other data generation means can be utilized?</p> <p>Are the indicators and targets set in the MSMEDP reflective of the intentions of the plans' objectives and strategies? Are data collection systems in place to measure achievement?</p> <p>In the perspective of stakeholders, to what extent have the MSMEDP and component programs helped MSMEs with their needs at key stages in their life cycle?</p> | <p>Soundness of all processes employed to coordinate and facilitate the development, implementation, monitoring and evaluation of MSMEDP, mapping the coordination of inputs, process and outputs</p> <p>Factors affecting effectiveness</p> <p>Perception of entities being coordinated e.g. program implementers/key players, MSMEs, etc)</p> <p>Alignment of MSMEDP objectives with PDP results matrix</p> | <p>Review of program documents and reports</p> <p>Process review</p> <p>Key informant interviews</p> <p>Focus group discussions</p> <p>Survey</p> | <p>Program implementers from DTI, DOST, NEDA</p> <p>MSMEs</p> |
| 4. Efficiency | <p>Have government interventions been implemented efficiently? What are the efficiency constraints that remain unaddressed?</p> <p>What are the existing coordination and implementation mechanisms in implementing the MSMEDP and its component programs? Are the implementation and coordination mechanisms conducive for achieving expected results?</p> <p>Are the flagship programs implemented cohesively at both national and local levels? Are the processes and structures in place capable of delivering and measuring the intended results: from inputs, to outputs, and to outcomes?</p> <p>Was there an appropriate level of financing to implement the MSMEDP?</p> | <p>Soundness of all processes employed to coordinate and facilitate the development, implementation, monitoring and evaluation of MSMEDP, mapping the coordination of inputs, process and outputs</p> <p>Factors contributing to inefficiencies</p> <p>Perception of entities being coordinated e.g. program implementers/key players, MSMEs, etc)</p> <p>Alignment of MSMEDP objectives with PDP results matrix</p> | <p>Review of program documents and reports</p> <p>Process review</p> <p>Key informant interviews</p> <p>Focus group discussions</p> <p>Survey</p> | <p>Program implementers from DTI, DOST, NEDA</p> <p>MSMEs</p> |

| Parameter | Evaluation Questions | Standard Measure or Elements to look for | Data Collection Tools | Source of Data |
|-------------------|--|---|--|---|
| 5. Sustainability | <p>Are the government interventions for MSMEs sustainable? Can government M&E enable the assessment of the sustainability of benefits to MSMEs?</p> <p>How can the DTI, which leads the MSME Development Council and serves as its secretariat, strengthen its M&E systems for the MSMEDP in a way that enables it to measure outcomes and impact of interventions rigorously?</p> <p>How can the various implementing agencies of MSME development interventions strengthen their M&E systems and pursue evaluations to support the overall M&E system of the MSMEDP?</p> | <p>Perception of program implementers, key players, and MSMEs on program sustainability</p> <p>Effects of Covid-19 pandemic on MSMEDP plan/program implementation and MSMEs</p> | <p>Key informant interviews</p> <p>Focus group discussions</p> <p>Survey</p> | <p>Program implementers from DTI, DOST, NEDA</p> <p>MSMEs</p> |

XI. FINDINGS

The relevant findings/results of the evaluability assessment are presented in two parts. Section A presents in detail the results of the evaluability assessment of the Micro, Small and Medium Enterprise Development Plan (MSMEDP) and each of the six component programs. Section B presents an integration of the over-all findings of the evaluability assessment including summary matrices.

A. Findings on the Evaluability of the MSMEDP and Each Component Programs

This section presents the results of the evaluability assessment of the MSMEDP and the six (6) flagship programs examined in the study. The presentation and discussion of results are organized into two parts. The first part presents the results along the evaluability framework of the United Nations Development Program (UNDP), which considers three broad aspects of evaluability: (1) program design; (2) data availability; and (3) stakeholder's demand. The main interest under program design is the clarity of the intervention, which entailed the examination of the theory of change and results framework, causal link assumptions as well as indicators of performance. The main concerns on data include sufficiency, availability, and applicable methods of analysis while stakeholders demand examined the utility of the evaluation to the various stakeholders of the program. Insights were also derived to answer the more specific National Evaluation Policy Framework (NEPF) evaluability checklist (**Annex G**). The second part presents the results of the process evaluation of the flagship programs which dealt mainly on the questions of relevance, effectiveness efficiency and sustainability.

1. On Program Design, Data Availability, Stakeholders' Demand and Robustness of the M&E Systems

1a. Program Design

Theory of Change and Results Framework

A key requisite for a program to be evaluable is that it should have a clear theory of change (TOC) and results framework (RF). The TOC and RF are crucial for a clear understanding of what the program is all about, its goals and strategies as well as its causal links and assumptions. The TOC and RF are important guides to any evaluation as these help establish the context and scope of evaluation.

As part of evaluability assessment, the MSMEDP and its component programs were reviewed to determine the availability of TOC and RF. It was found that while MSMEDP did not have an explicit TOC, the descriptive narrative of the plan was adequate to establish the TOC and results framework. However, except for Negosyo Center, all the component programs of MSMEDP did not have an explicit TOC narrative and results framework. To build the TOCs and RFs, a workshop was carried out on March 6, 2020 involving the key personnel of NEDA, DTI, and DOST. The initial TOCs and RFs developed during the workshop were subsequently validated in a series of consultations with the relevant personnel from each program. The finalized TOCs and RF are discussed below.

The MSMEDP's Overall TOC and RF

The MSMEDP is an integral part of the results matrices of the Philippine Development Plan (PDP), 2017-2022. The PDP is founded on the three pillars of **“trabaho”**, **“negosyo”** at **“kabuhayan”**, which spelled out the interventions needed to be carried out to improve, employment, business, and livelihood in the country. The MSMEDP is linked directly to the **“negosyo”** component of the PDP and constitutes the overall plan to achieve the PDP goals on improving business environment, business capacity and business opportunities in the country. Since the MSMEDP did not have an explicit TOC, the TOC was recreated from the plan's descriptive narrative during the March 6, 2020 workshop. The TOC narrative is as follows:

“Micro, small and medium scale enterprises (MSMEs) in the Philippines are constrained among others, by a generally poor business environment brought about by poor business climate and limited access to finance; limited business capacity due to limited capacity of management and labor as well as limited access to new technologies and innovations; and inadequate business opportunities as reflected in limited access to market. If nationwide or at least a significant geographical scale improvement can be made on business climate, access to finance, management and labor capacity, access to technology/innovation and market, there will be significant improvement in global competitiveness of MSMEs, make them more resilient and sustainable and serve as the major drivers of inclusive economic growth in the Philippines. With all other things held constant, these can be achieved by simplifying and harmonizing rules related to MSMEs, simplifying and streamlining loan processes, mentoring and training MSMEs management and labor, supporting linkages between MSMEs and large corporations, developing lucrative business models and social enterprises and by making technologies and market accessible”.

The results framework accompanying the above TOC as shown in **Figure 4** presented MSMEDP's vision, which is to achieve more globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive economic growth. This vision is planned to be achieved by working on three focus areas: (1) business environment, (2) business capacity; and (3) business opportunities. The goals under

business environment are to improve business climate and access to finance. Under business capacity, the goals are to enhance management and labor capacities and improve access to technology and innovation. On business opportunity the goal is to improve market access. The respective strategies to achieve these goals are clearly laid down in the results framework, together with cross-cutting strategies that will support the achievement of the goals in each focus areas. The action plans in terms of policies, programs and projects are then identified and the institutional support that would be needed are specified.

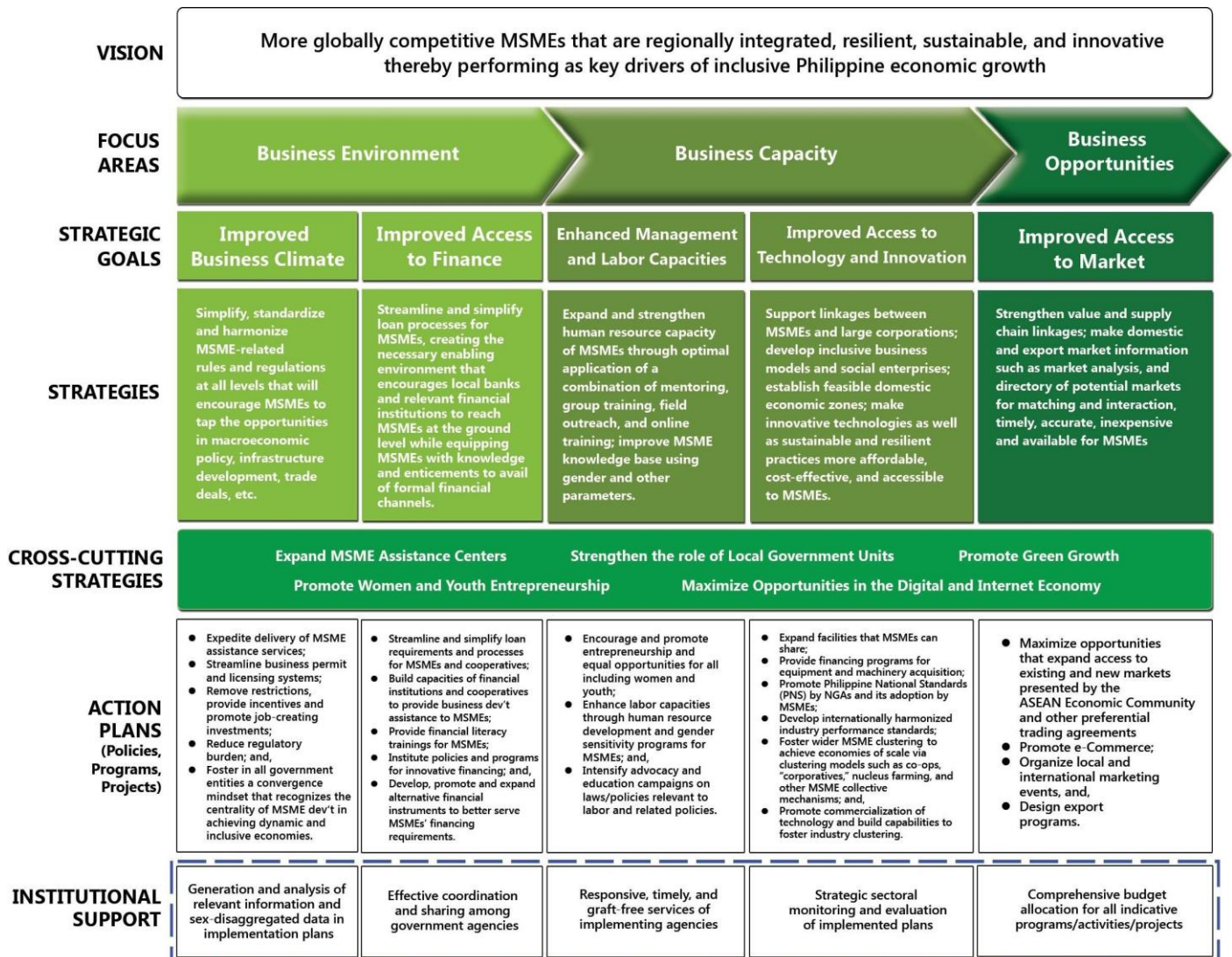


Figure 4. MSMEDP results framework

The six (6) component programs under MSMEDP included as part of the ongoing evaluability assessment have one to one correspondence with the five strategies of MSMEDP in its general results framework. The achievement of improved business climate is through the *Negosyo* Center Program (NCP); that on improved access to loan is through P3; access to market is through OTOP; access to technology is through SETUP; and enhancing management and labor capacity is through KMME. The SSF program contributes both to access to technology and improvement in labor capacity.

There are only three (3) outcome indicators for the MSMEDP: (1) increase in employment of MSMEs; (2) percentage increase in number of registered MSMEs; and (3) proportion of small-

scale industries in total value added (**Table 2**). The possible sources of data for these indicators are identified together with the baseline and target values.

Table 2. MSMEDP Indicators and Possible Sources of Data

| Overall KPIs | Proposed Indicators | Source | MSMED Plan 2017-2022 | |
|--------------|---|---|----------------------|------------|
| | | | Baseline | Target |
| 1 | Increase in employment of MSME | Total Employment (PSA List of Establishments) | 4.784 M | 8.284 M |
| 2 | Percentage increase in number of registered MSMEs | Number of Establishments (PSA List of Establishments); Number of Registered Enterprises with LGUs (LGUs); Number of Registered MSMEs Corporations (SEC) | 896,839 | 20% |
| 3 | Proportion of small-scale industries (enterprises) in total value added increased | Value Added (Other Proxy) Total Sales NCC-CB (DTI) | 35.7% | 50% to 55% |

The MSMEDP’s TOC reconstructed from the descriptive narrative of the Plan as well as its general result framework appear to be plausible. Business environment, capacity and opportunities are well-known pathways to business development and improving these areas is an excellent strategy for the growth of MSMEs. In addition, the outcome indicators were clearly specified as well as the corresponding baseline and targets. However, the outcome indicators were not linked clearly with the outputs and intermediate outcomes of the component programs and the assumptions needed to achieve a nationwide reach were not explicitly indicated. This could be a major limitation in future evaluation as the issue of attribution could not be resolved easily. For instance, an increase in the number of registered MSMEs cannot be unambiguously attributed to MSMEDP unless there is clear evidence of causal links between the outputs of the component program and the outcomes of MSMEDP. It could very well be possible for the component program to be a complete failure, yet the outcome indicator of MSMEDP can still exhibit improvement due to exogenous influences.

As part of the evaluability assessment, a more specific results chain of MSMEDP as well as the assumptions that must be satisfied were formulated and validated by the representatives of the implementing entities during the TOC workshop. The results chain clearly linked the six accompanying programs with the indicated outcomes of MSMEDP (**Table 3**). The results chain column describes in a nutshell how the program intervention can lead to outputs then to intermediate outcomes and finally to the MSMEDP outcomes. On the other hand, the last column indicates the reach, capacity, and behavior change (e.g., extent of adoption) assumptions needed for the program interventions to reach the scale of the MSMEDP, which is nationwide in coverage.

The reconstructed MSMEDP theory of change and results chain are crucial in gauging the evaluability of the MSMEDP and its component programs. The three key evaluability questions that can be derived from the reconstructed TOC and RF are: (1) do the M&E systems of the six component programs keep track of the output and immediate outcome indicators identified in the results chain? (2) are there indicators being tracked in the existing M&E systems of the six programs which can serve as proxies in case the original indicators are not being tracked? (3) are there means to establish the causal links hypothesized and the underlying assumptions of the theory of change and results chains?

Table 3. Results Chains Linking the Various Programs with MSMEDP

| Program | Results Chain | Output Indicators | Outcome Indicators | | Assumptions |
|----------------|---|--|---|---|--|
| | | | Immediate | Intermediate/ Long Term (MSMEDP Outcome Indicators) | |
| Negosyo Center | Simplified and harmonized rules/regulations will lead to lower transaction cost which in turn improve efficiency and profitability of MSME's operation | <ul style="list-style-type: none"> • Simplified Rules Harmonized Rules • Number of facilitation assistance provided by Negosyo Centers • Number of MSMEs assisted • Type of assistance provided | <ul style="list-style-type: none"> • Reduced transactions Shortened processing time • Improved efficiency Improved business viability | <ul style="list-style-type: none"> • Increase in the number of registered MSMEs • Increase in employment of MSMEs | <ul style="list-style-type: none"> • Nationwide adoption of simplified or harmonized rules • Widespread bank adoption of streamlined loan processes |
| P3 | Streamlining of loan processes will improve financial inclusion, lower the cost of credit, and encourage greater MSMEs investment which will lead to business expansion and higher productivity | <ul style="list-style-type: none"> • Amount of loan accessed by MSMEs under P3 • Number of MSMEs which availed loans through P3 • Average interest rate • Ratio of approved loan applicants (loan approval rate) | <ul style="list-style-type: none"> • Amount of capital investment made by MSMEs • Increased sales from MSMEs • Improved productivity • Gauge the effectivity of streamlining the loan process | <ul style="list-style-type: none"> • Proportion of small- scale industries (enterprises) in total value added increased | <ul style="list-style-type: none"> • Nationwide/ extensive mentoring and training • MSME's outputs are mainstreamed in large corporation's value chains • Widespread MSME's adoption of technologies or innovations |
| SETUP | Provision of SETUP assistance enables MSMEs to access new technologies, e.g., equipment, which improves productivity and expands production capacity | <ul style="list-style-type: none"> • Number of MSMEs assisted by SETUP • Total amount of SETUP assistance provided • Number of MSMEs assisted by sector and the total amount of assistance for monitoring | <ul style="list-style-type: none"> • Amount of capital investment made by MSMEs • Increased sales from MSMEs • Improved productivity | | |
| KMME | Mentoring improves technical and management knowledge and skills which improves business efficiency/productivity | <ul style="list-style-type: none"> • Number of MSMEs mentored • Number of MSMEs which scaled up in terms of employment generated | <ul style="list-style-type: none"> • Technical competency enhancement • Management competency enhancement • Productivity/ Efficiency improvement | | |
| OTOP | Participation in OTOP enhances access to larger and better markets which leads to greater sales revenue, encourages existing MSMEs to expand operation and create greater value addition | <ul style="list-style-type: none"> • Number of MSMEs participating in OTOP • Exporters assisted and products developed/ improved | <ul style="list-style-type: none"> • Sales volume and value of participating MSMEs increased • Export sales generated and domestic | | |

| Program | Results Chain | Output Indicators | Outcome Indicators | | Assumptions |
|---------|---|---|---|---|-------------|
| | | | Immediate | Intermediate/ Long Term (MSMEDP Outcome Indicators) | |
| | | | sales generated | | |
| SSF | Access to shared service facility leads to expanded output capacity of MSMEs, lower processing/manufacturing cost, improved product quality, improved productivity, and increased Sales | <ul style="list-style-type: none"> • Number of MSMEs accessing SSF • Number of SSFs established • Employment generated | <ul style="list-style-type: none"> • Sales volume and value of participating MSMEs increased • Productivity/ Efficiency improvement • Lower processing/ manufacturing cost | | |

The component programs of MSMEDP namely, *Negosyo Center*, P3, KMME, SETUP, OTOP and SSF were examined extensively to answer the aforementioned evaluability questions and evaluate the MSMEDP and its programs against the set of criteria in the NEPF evaluability checklist. The results are discussed in the succeeding sections.

TOC and RF of the MSMEDP Programs

The evaluability assessment found that except for *Negosyo Center*, the MSMEDP component programs did not have theories of change. Similar to MSMEDP though, it was possible to construct a TOC narrative based on the rationale of the programs and the strategies being pursued. In contrast to the MSMEDP however, the component programs did not have results framework, which would be a major evaluability constraint. Nevertheless, the evaluability assessment still attempted to reconstruct both the theory of change and results framework, albeit it took several consultations and validation with the implementing agencies of the various programs.

Kapatid Mentor Me (KMME)

In the case of KMME, the absence of a logical framework was already pointed out in an earlier assessment conducted by the World Bank. In the later part of 2019, a KMME Strategic Plan 2020-2022 was drafted articulating the program’s overall vision of “prosperous, inclusive and entrepreneurship-driven local economies creating sustainable jobs and promoting competitive production and trade”. Balance scorecard was adopted covering four areas—external stakeholders, internal processes, people and program, and finance. The framework was still on draft status as of the time of evaluability assessment.

Through consultations and validation exercises, the assessment formulated the following TOC narrative for KMME: “If MSMEs are capacitated on basic business operations, skills and knowledge through trainings, mentoring and coaching, and learning by doing, then there will be improvements in the productivity of business enterprises as a result of more efficient production and administrative systems, thereby resulting to business expansion, job creation and sustainability that benefits the community”. A diagrammatic depiction is provided in **Figure 5**.

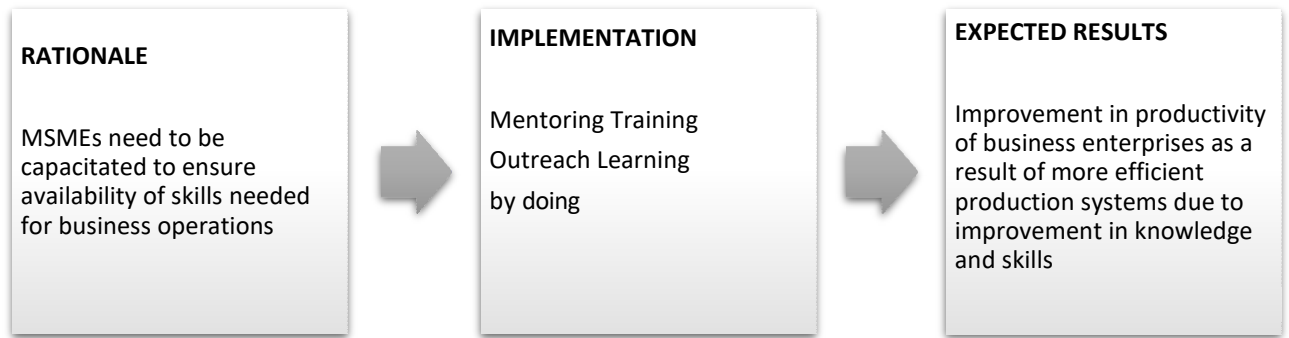


Figure 5. Theory of Change for *Kapatid Mentor Me* (KMME)

A key causal link, albeit implicit assumption of the TOC is that mentoring, training, outreach and learning by doing will lead directly to improvement in productivity/efficiency of the business. This assumption is plausible as the literature is replete with evidence that the knowledge, attitude, and practices (KAP) pathway is the most viable pathway in effecting behavioral change.

The assumption that training/mentoring will translate to productivity will of course depends on the effectiveness of the training/mentoring itself. This was recognized early on by the program implementers of KMME. By examining the context of the program, the evaluability assessment found that during the earlier phase of the program, the mentors were not entrepreneurs, hence, were not talking out of experience and it was difficult for the mentees to relate with their mentors. This was immediately addressed by revising the modules and piloting it in selected areas (Laguna and Mandaluyong). The revised modules, which is now the popular 3M (money, market and, mentorship) is proven to be more effective based on feedback from the mentees.

The validation of the implicit and explicit assumptions through KIIs, FGDs and survey highlighted that program success is dependent on the commitment of mentees, the credibility of mentors, the quality of the modules, sustained assistance from the other units of DTI, strong partnership between Philippine Center for Entrepreneurship (PCE) and the other coordinating units, sustained program funding and ease of meeting the requirements of the program.

The logical framework consistent with the formulated TOC is presented in **Table 4**. The output, outcome and impact indicators are clearly specified and are considered good metrics of the performance of the program. In addition, while the baseline values have not been established, it appears these can be obtained from an earlier survey (2016-2017) of KMME graduates. Moreover, the program reach can easily be established from the number of trainees/mentees of the program.

Table 4. Results Framework for the *Kapatid Mentor Me (KMME)*

| Indicators | | Targets | Means of Verification | Risks and Assumptions | Available/ Not Available |
|---|---|------------------------------------|-----------------------|--|---|
| IMPACT | | | | | |
| MSME efficiency and productivity improved leading to sustained operations | Number of MSMEs with improved productivity | | Increased sales | | CPMS |
| | Number of MSMEs with increased profits | 68% of the 2,096 respondents | Increased profits | Funds for survey is available | Available Source: Survey Results on the progress of 2016-2017 KMM Graduates; CPMS |
| OUTCOME | | | | | |
| Improvement in knowledge and skills | Number of positive feedbacks from MSMEs | | Survey Results | | Available Source: Survey Results on the progress of 2016-2017 KMM Graduates |
| OUTPUT | | | | | |
| Trainings, Mentoring, Outreach | Number of MSMEs participating in mentoring/trainings /outreach programs | 7,778 selected mentees | Post Activity Report | Regular monitoring activity conducted | Available Source: Post Activity Report |
| | Number of MSMEs completing the mentoring/trainings/ outreach programs | 7,337 graduated mentees | Post Activity Report | Timely availability of funds | Available Source: Post Activity Report |
| | Number of mentoring/ trainings/outreach programs conducted | 343 Batches/ Runs Conducted | Post Activity Report | Availability of competent and willing resource persons | Available Source: Post Activity Report |
| | Number of sites/locations of mentoring/trainings/ outreach programs | All regions and 101 cities reached | Post Activity Report | | Available Source: Post Activity Report |
| INPUTS | | | | | |
| | Amount of funds | | Post Activity Report | | Available |
| | Number of mentors | | Post Activity Report | | Available |

Pondo sa Pagbabago at Pag-Asenso (P3)

The TOC narrative formulated during the TOC workshop and validated in a series of consultations with the program implementers states that, “if MSMEs have access to affordable and easy credit that is comparable to the informal lending schemes in terms of interest rates and documentary requirements, and MFIs are provided capacity to manage credit portfolio, then there will be reduced dependence on loans from informal moneylending schemes that charge usurious interest rates, leading to more capital for business operations, thereby resulting to increased income and improved productivity and potential employment generation. The TOC diagram is provided in **Figure 6**.

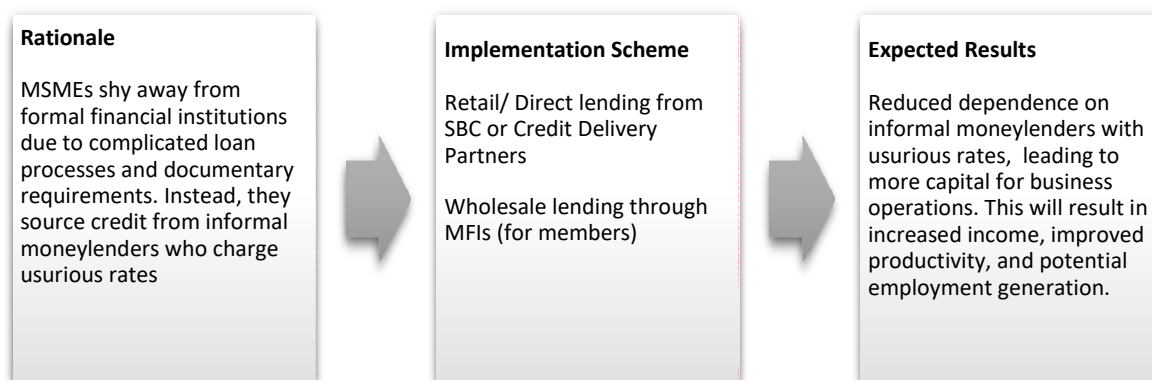


Figure 6. Theory of Change of Pondo sa Pagbabago at Pag-Asenso (P3)

The primary causal link assumption is that access to reasonably priced credit will improve productivity/efficiency and that such access is possible by improving the flexibility of MFIs to manage loan portfolio. This is highly plausible as earlier studies by the Agricultural Credit Policy Council (ACPC) in 2017 empirically showed that access to credit improves productivity and that MFIs were more effective conduits in providing credit assistance.

The validity of the TOC is further supported by an earlier Assessment Report (2019 report submitted to Congress), which showed that the number of MFIs acting as conduits for the P3 program increased from 56 at the start of the P3 implementation in 2017 to 176 in 2018 and finally to 409 in 2019. Although the assessment did not provide in-depth analysis on the improvements in capacity, the increase in the loans managed by the MFIs (PhP 5,115 M cumulative line availment and PhP 3,922 M releases) provides indication of the quality of their loan management capabilities.

The survey of beneficiaries of the program validated the causal link assumption on the importance of access to credit. The large majority (74%) of respondents claimed they participated in the program as they needed additional capital for their business. The low interest rate appears to have motivated 54% of the respondents to access the loan facility of P3 while the fast approval of loans was the primary motivation of 24 percent of the respondents. The ease of requirements was also a major motivation for 31 percent of the respondents.

It was learned from the KIIs and FGDs however, that many potential beneficiaries were still unaware of the program. This underscores the need for greater information dissemination on the assistance being provided under P3. Other factors identified as crucial for the success of the program are the provision of marketing assistance by DTI to ensure greater market access for the products of P3 beneficiaries and the continued funding of the program by the

Department of Budget and Management (DBM).

The results framework of P3 is shown in **Table 5**. The output and outcome indicators are clearly specified, although the absence of baseline and targets will be a challenge in future evaluation. This was already identified during the workshop and series of consultations with SBC (the program owner) and were indicated as part of the risk and assumptions in the logframe.

The link between P3 and MSMEDP is clear as the impact indicators on MSMEs with improved productivity and number of MSMEs with increased profits directly relate with the three major outcome indicators of the MSMEDP.

Table 5. Validated Results Framework for *Pondo sa Pagbabago at Pag-Asenso (P3)*

| Indicators | | Sources of Verifications | Risks and Assumptions | Available/ Not Available |
|--|---|-------------------------------|--|--------------------------|
| IMPACT | | | | |
| Improved MSME income and productivity, leading to potential employment generation and sustained operations | Number of MSMEs with improved productivity | Impact Assessment Study | Availability of resources and support for conduct of IA Available baseline data | |
| | Number of MSMEs with increased profits | | | |
| OUTCOME | | | | |
| Improved access to financing from formal sources Reduced dependence from informal credit sources | Percent of MSMEs availing of credit from formal sources | PSA | Available baseline data | |
| | Percent of MSMEs availing credit from informal sources | PSA | | |
| OUTPUT | | | | |
| MSMEs availing credit from P3 increased | Provinces reached by P3 | SBC P3 Dashboard MFI partners | Regular updating of dashboard Regular monitoring conducted | Available |
| | Number of MSMEs availing P3 | | | Available |
| Financial institutions providing credit to MSMEs increased | Number of financial institutions engaged in P3 credit retailing (cooperatives, MFIs, associations, and rural banks) | | | |
| Interest rates from credit reduced | Pass on rates of P3 financial institutions | | | |
| INPUTS | | | | |
| Amount of P3 loan | Amount of loans granted to MSMEs, by partner institution, and total | SBC-P3 reports | Regular monitoring activity conducted | Available |
| | Number of MSMEs with loans from P3, by partner institutions | SBC-P3 reports | | |
| Documentary requirements and steps for loans reduced | Number of loan processes/steps, by P3 partner institutions | SBC – P3 reports | Regular monitoring activity conducted | |
| | Number of documentary requirements, by P3 partner institutions | | | |

Negosyo Center (NC)

The *Negosyo Center* is the only component program of MSMEDP, which has an established TOC even prior to the evaluability assessment. The assessment validated the existing TOC during the March 6, 2020 workshop and in a series of KILs with heads and staff from agencies/units such as the program management unit of *Negosyo Center* and the coordinators in the regions and provinces.

The TOC narrative states that, **if** MSMEs have access to institutions that will assist them in navigating the regulatory requirements and provide support services for development, **then** it is not tedious and costly to establish business, and there is easy access to information and support services for MSMEs, **thereby** resulting to conducive business climate fostering business growth and development, and promoting inclusive growth, poverty reduction and job generation. The validated TOC is shown in **Figure 7**. The TOC for the *Negosyo Center* used in the Impact Assessment Study in 2019 is also presented in **Figure 8**.

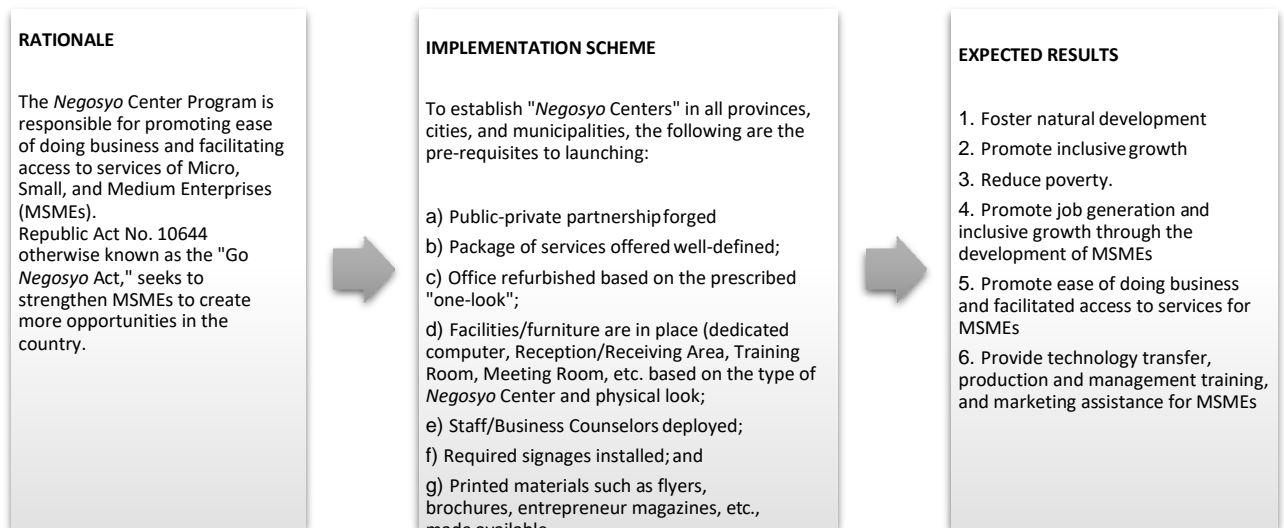


Figure 7. Validated Negosyo Center Theory of Change, Evaluability Assessment Project in 2020

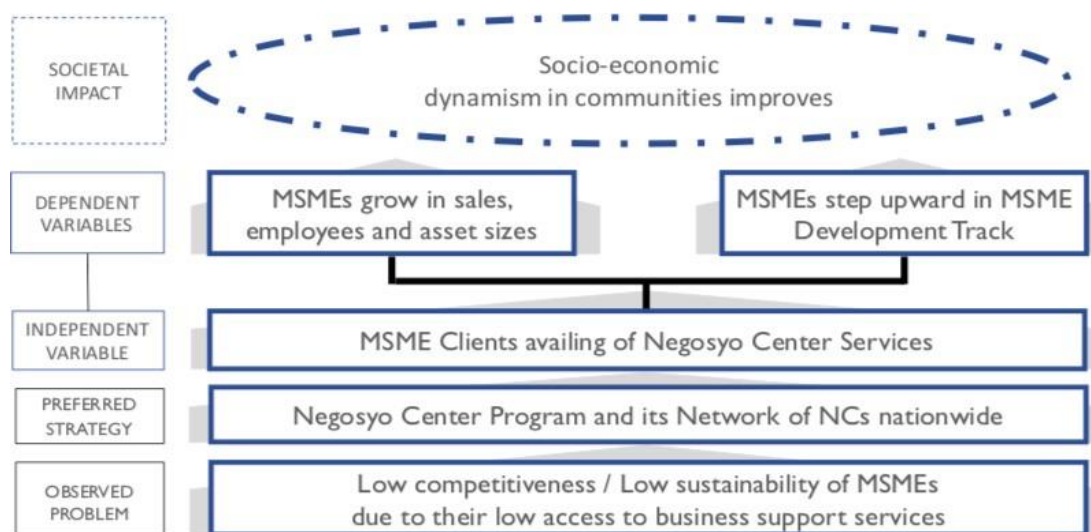


Figure 8. Negosyo Center Theory of Change, Impact Assessment Study in 2019

The essential causal link assumption is that assistance in navigating regulatory requirements and accessing support services will reduce the cost of doing business and promote the growth and development of MSMEs. This assumption is plausible considering that business transaction costs are high in the country, especially search cost (cost of information search) as well as the costs associated with contracting.

The survey of NC beneficiaries validated the importance of NC’s causal link assumption. The primary motivation of most beneficiaries (57%) was to access information/knowledge on business operations. Almost half (47%) of the respondents wanted to explore new business opportunities while others were motivated by the assistance provided in processing business permits and documents (43%); access to trainings (38%); and new knowledge on technical operations (36%).

Results of the KIs and FGDs suggest that the theorized change could likely be achieved if the current staff complement can be improved. As the target of having one Business Counsellor (BC) in every NC remains unachieved, the services that the centers can provide will remain limited. In Region 10 for instance, one BC is handling three to four NCs. While the program is nationwide, the assumption on program reach in the MSMEDP may not be realized if limitation on staff complement will not be addressed. The survey of beneficiaries revealed that 31 percent of the respondents were already pointing out the lack of personnel in the NCs and the very small space available (44%) as the major limitations of the program.

The validated results framework is shown in **Table 6**. The output and outcome indicators are well-specified except for the absence of baseline and targets, which will be a major constraint in future evaluation. The outcome indicators are consistent with the indicators of the MSMEDP, particularly the growth in sales which can be directly related to the MSMEDP indicator on increase in value added. In addition, the indicator on the growth in the number of employees may directly feed into the MSMEDP indicator of increase employment in MSMEs.

Table 6. Validated Results Framework for *Negosyo* Center

| Indicators | | Sources of Verifications | Risks and Assumptions | Available/ Not Available |
|--|--|--|---|--------------------------|
| IMPACT | | | | |
| MSME stepped upward in its business development journey | Upward steps achieved in DTI’s 5-Level MSME Development Track | Randomly sampled NC clients/respondents; NC and DTI Personnel | Risk: Status quo Assumption: Digital or Online study Available baseline | Available |
| OUTCOME | | | | |
| MSMEs grew by availing services and appropriating them in their own businesses | Growth in sales (%), employees (No.) and asset size (%) | Randomly sampled NC clients/respondents; NC and DTI Personnel | Updated information | Available |
| OUTPUT | | | | |
| NCs, based on typology, performed mandated functions and services. | NCs ability to deliver mandated services effectively (range of services delivered) and efficiently (delivery within set timeline). | Reports of <i>Negosyo</i> Centers Nationwide summarized by the Provincial and Regional Focal Persons | Regular updating of dashboard Regular monitoring conducted | Available |

| Indicators | | Sources of Verifications | Risks and Assumptions | Available/ Not Available |
|--------------------------|--|--------------------------|--|--------------------------|
| INPUTS | | | | |
| No. of services provided | No. of NCs established No. of MSMEs established No. of clients served No. of trainings and seminars conducted | NC Report | Regular monitoring activity conducted | Available |
| Human resources support | Number of BCs to support the operation of NCs | NC Report | Regular monitoring activity conducted Availability of staff | Available |

Shared Service Facilities (SSF)

The SSF did not have a theory of change or results framework prior to the evaluability assessment. The assessment team constructed the TOC and RF during the March 6, 2020 workshop with the implementers from the program rationale and other program documents. The TOC narrative states that, if improved innovations in the form of machineries, tools, equipment, knowledge and skills training under a shared system or common use are to be made available to the MSMEs, then their production system will improve, production volume will increase and the quality of their product will be enhanced to conform to standards, thereby resulting to increase in their sales and income generated. The TOC diagram is shown in **Figure 9**.

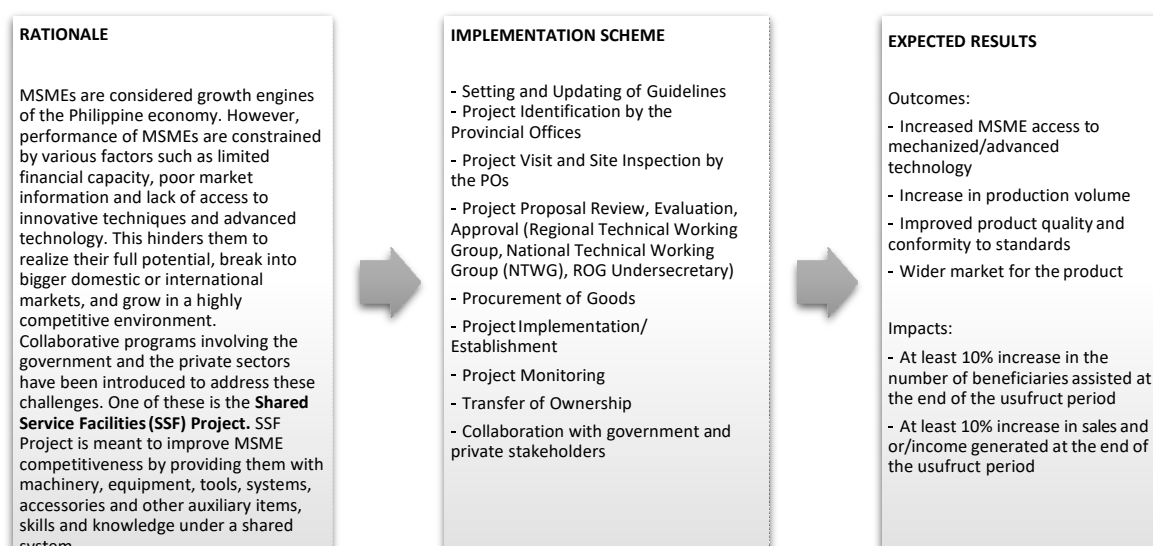


Figure 9. Theory of Change for Shared Service Facilities (SSF) Project

The TOC is plausible considering that MSMEs are often constrained to adopt technologies, especially processing/manufacturing machineries due to high cost. In addition, equipment/machineries are indivisible and have operating capacities far more than what would be needed by individual MSMEs. The sharing scheme is therefore a viable strategy and could really be expected to positively impact on MSME's performance. The causal link

assumption also appears adequate as what is really needed is to just increase the access to technologies to realize the positive effect on production or manufacturing performance of MSMEs.

Results of the survey of beneficiaries validated the TOC and causal links of the program. Almost half (48%) of the respondents indicated they participated in the program to improve their production operation, 19 percent to standardize and improve the quality of their product while one third (32%) wanted to improve the production operation of other MSMEs engaged in similar business within the community by sharing the service facilities with them.

The results framework is shown in **Table 7**. The output, outcome and impact indicators are well specified, and the targets are indicated. While the baseline values are not indicated this will not be a major limitation as the indicators are periodically tracked in the M&E system of the program. The indicator on increase in sales or income generated can be linked directly to the MSMEDP indicator on increase value added. This indicates that the SSF program can contribute directly to the targets of MSMEDP.

The SSF is being implemented nationwide which satisfies the reach assumption in the MSMEDP's results chain. The intended beneficiaries are the MSMEs that are already in the mainstream market but lack access to needed technologies. The survey of these MSMEs conducted as part of evaluability assessment showed almost half (48%) of the surveyed MSMEs were willing to participate in the program to improve their production operation.

Table 7. Validated Results Framework for SSF

| Indicators | Sources of Verifications | Risks and Assumptions | Available/ Not Available |
|---|---|--|--------------------------|
| IMPACT | | | |
| At least 10% increase in the number of beneficiaries assisted at the end of usufruct period | Monitoring Reports Logbook of project co-operators | Regular monitoring activity conducted; Updated logbook of project beneficiaries | Available |
| At least 10 percent increase in sales and/or income generated at the end of usufruct period | Monitoring Reports Financial records of project co- operators | Regular monitoring activity conducted Updated financial records of project beneficiaries Monitoring of MSME users conducted by project co-operators | |
| OUTCOME | | | |
| Increased MSME access to mechanized/advanced technologies Increase in production volume Improved product quality Increase in markets | Monitoring Reports Approved project proposals which should contain the baseline data and targets Sales Report/ Financial Statements | The SSF is properly managed by the co-operator, in full operation. | Available |
| OUTPUT | | | |
| No. of SSFs established No. of MSMEs assisted No. of other users assisted Employment generated | DTI reports submitted by the regions | There are no delays in procurement. | Available |
| Funds Utilized | Status of Funds provided by DTI-Financial Service | | Available |

| Indicators | Sources of Verifications | Risks and Assumptions | Available/ Not Available |
|---|--|--|--------------------------|
| INPUTS | | | |
| Capital Outlay (CO) funds for the procurement of equipment | GAA Congressional Insertion Budget (CIB) Continuing budget | Timely release of funds; Qualified suppliers of equipment; Good projects are identified; aligned with region's priorities. | |
| MOOE for the operating expenses of the Project (e.g., insurance of equipment, travelling of DTI staff, monitoring expenses, representation, training, supplies, etc.) | GAA CIB Regular budget | Timely release of funds Regular monitoring of activity conducted | |
| Cooperator's counterpart: - Building - Personnel - Working capital | Monitoring reports | Eligible co-operators are available in the area. Co-operator's readiness to provide equity and capacity to sustain the SSF. | |
| Business Manual of Operation jointly prepares by DTI and Cooperator | Monitoring reports | | Available |
| Trainings/ Consultancy services given by Experts to improve technical capacity | Monitoring reports | Availability of qualified experts | |

One-Town-One-Product (OTOP)

The OTOP program did not have a clear theory of change and results framework prior to evaluability assessment. The assessment team reconstructed the TOC and RF together with the program implementers. The formulated TOC states that, "If the mind-set of MSME operators can be changed by way of capacitating them with a package of assistance like product development, technology updating , capacity building activities, intellectual property assistance, brand equity development, access to finance, and marketing and promotion with the goal of improving their products in the area of design, packaging and labelling, increasing shelf life, use of new packaging, among others, **then** this would result to better production and brand capability and greater capacity of MSMEs to produce better products compliant to standards, **thereby** creating new and better product offerings with significant improvement in product quality, design, packaging and labelling, and marketability. The TOC diagram is provided in **Figure 10**.

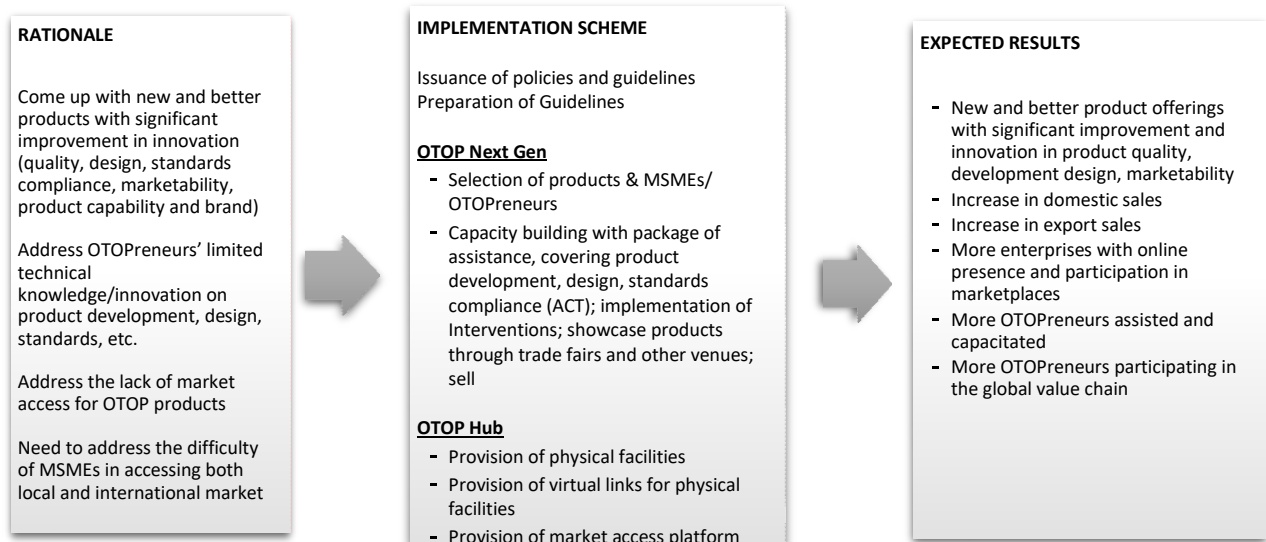


Figure 10. Theory of Change for One Town, One Product (OTOP)

Unlike the other program components of MSMEDP which provide specialized type of assistance, OTOP is a general program intended to provide all types of support to MSMEs. The pathway though is through building capacity to enable MSMEs to level up, be standards compliant and access new and bigger markets. Among the MSMEDP component programs, evaluating OTOP may prove to be most challenging owing to the enormity of the program and the wide range of assistance provided. It is reasonable to assume though, that clients of OTOP would have greater chance of succeeding as the assistance can come as a package, therefore may address the constraints of MSMEs in a more holistic manner.

The TOC and causal links were validated through a survey of 90 OTOPreneurs from nine provinces. Results confirmed the wide array of OTOP assistance as 82 percent of respondents were assisted in product development, 71 percent in packaging, 64 percent in labelling, 61 percent were provided management training, 57 percent in marketing and a significant number (more than 40%) were provided assistance in product design, branding and even intellectual property. Majority of the respondents claimed the program was able to address their constraints on capital, technical know-how, limited business skills and the low competitiveness of their business.

The results framework is shown in **Table 8**. The output and outcome indicators are specified, but the baseline values have not been established. However, this probably will not be a problem as all the outcome indicators are derivable from the existing M&E system of the program.

The outcome indicators of the OTOP program can directly feed to the outcome indicators of the MSMEDP, especially the improved domestic and export sales of the OTOP clients which may form part of the increase value added indicator in the MSMEDP. Owing to its nationwide scale, the OTOP program also satisfies the reach assumption of the MSMEDP

Table 8. Validated Results Framework for One Town One Product

| Indicators | Sources of Verifications | Risks and Assumptions | Available/ Not Available |
|--|---|--|--------------------------|
| IMPACT | | | |
| Improved socio-economic welfare of OTOPreneurs | Survey | Cooperation in providing data | Available |
| OUTCOME | | | |
| Improved OTOP products sold in the market | Monitoring reports | Receptiveness of consumers | Available |
| Domestic sales generated (food and non-food) by OTOPreneurs | Monitoring reports | Production capacity | Available |
| Export sales generated (food and non-food) by OTOPreneurs | Monitoring reports | Cooperation of exporter to provide accurate and up to date information | Available |
| OTOP Hub sales generated (food and non-food) | Monitoring reports | Continuous operations of the Hub; customer traffic; volume sold | Available |
| OUTPUT | | | |
| OTOPreneurs trained on product development and marketing (food and non-food) | Monitoring reports | Receptiveness of OTOPreneurs | Available |
| Products developed or improved (food and non-food) | Monitoring reports | Willingness and financial capacity of OTOPreneurs to commercialize the design/prototypes | Available |
| Exporters assisted | Monitoring reports | Sustained market | Available |
| OTOP Hub established | Monitoring reports | Commitment of the OTOPreneur/ OTOP Hub operator (the one who will establish the Hub) | Available |
| Commitment from LGUs and other agencies | Monitoring reports | Change in administration; continuity of support from other LGUs or agencies (DOST) | Available |
| Enhanced skills and knowledge of OTOPreneurs | | Perceptiveness of OTOPreneurs | Not Available |
| New products, brands and designs promoted | Surveys and number of inquiries from buyers | If no physical or virtual trade fairs mounted | Available |
| Increased brand awareness of products developed | Surveys and number of inquiries from buyers | Brand recall for brands that require complex requirements | Available |
| INPUTS | | | |
| Implementation guidelines and policies including program organization | OTOP Philippines Program Brief | Overlapping of duties and responsibilities in the organization | Available |
| Program budget | Financial records | Yearly request for budget | Available |
| Participating MSMEs and their counterpart/commitment | Monitoring reports | Commitment of MSMEs | Available |
| Training and consultancy services provided by experts for product development/design/technology updating/standards development/marketing | Monitoring reports | Availability of experts | Available |
| Provision of assistance to establish OTOP Hubs | Monitoring reports | Affected by the pandemic (physical assistance in forms of face-to-face capacity training and site visit is limited due to the pandemic restrictions) | Available |

Small Enterprise Technology Upgrading Program (SETUP)

Similar to the other MSMEDP component programs, SETUP did not have an explicit statement of its theory of change and results framework. However, the descriptive narrative of the program as well as information from relevant documents were adequate to construct the TOC and results framework in consultation with the DOST representatives who are managing the program.

The TOC narrative states that “ **if** MSMEs could be provided with a wide range of S & T solutions like technology transfer and commercialization; consultancy services ; packaging assistance; technology trainings; laboratory and testing services; and innovation fund (iFund); **then** MSMEs will be empowered to apply innovation in their firms, move up the technology scale, and become more competitive; **thereby** improving their productivity, substantially generating value-added products and employment to increase the country’s overall manufacturing growth.” The TOC diagram is shown in **Figure 11**.

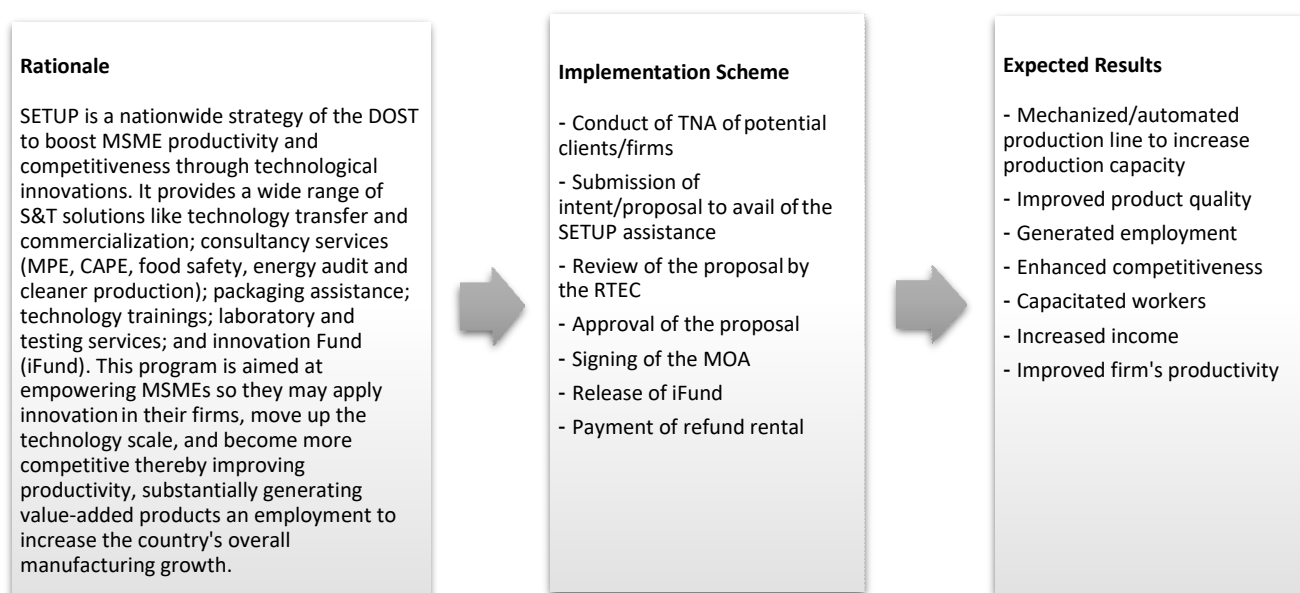


Figure 11. Theory of Change of Small Enterprise Technology Upgrading Program (SETUP)

The TOC is clearly plausible as it is anchored on S&T which is a well-established driver of business growth and development. It is also in the application of new and improved technologies that businesses in the Philippines, especially the small ones are usually lagging behind their counterparts in more advanced countries. Technologies are major sources of productivity growth and are the primary means to achieve competitiveness especially in highly globalized markets. This was validated in the survey of beneficiaries which showed the need for new technologies/technical knowledge as one of the major motivations in joining the program.

The primary causal link assumption that access to technology and other S&T solutions can lead to productivity growth is valid, *ceteris paribus*/all other things held constant. Most cases of technological failure are due to exogenous factors, especially unfavorable input and output market conditions (e.g., increase in the cost of fuel or electricity which makes mechanized operations more costly).

The logical framework is given in Table 9. The MSMEDP indicators as indicated in the MSMEDP 2017-2022 are the number of MSMEs assisted and the amount of investments per year. Others as indicated in the log frame are: number of S & T interventions (PREXC); number of MSMEs, LGUs, HEIs, communities and other customers assisted (PREXC); percentage increase in productivity generated (PREXC); and percentage increase in employment generated (PREXC).

Table 9. Results Framework for SETUP

| Inputs | Activities/Processes/ Strategies/Methodologies | Outputs | Medium-term consequences related to program goals/objectives | Long-term consequences of the program |
|--|--|---|---|---|
| SETUP Fund provided Human Resource hired/tapped Project management team Consultants/ experts Training provider Counterpart fund from the MSME which will implement the recommendations provided DOST-developed Technology (option) commercialized | Project proposal of MSME reviewed and approved Technology Needs Assessment conducted Appropriate equipment procured/transferred Innovation fund released S&T interventions such as consultancy, training, packaging and labelling assistance, testing and calibrations services, and product development assistance, provided | New technologies to improve efficiency and product quality applied ² Existing standards such as cGMP/HACCP ¹ complied Cost-effective/ environmentally safe technologies adopted ¹ S&T interventions provided MSME assisted | Efficiency improved Product quality and marketability improved ¹ Productivity increased ¹ Percentage decrease in rejects ³ Increase in gross sales ⁴ Increase in volume of production ² Diversification of product lines ¹ Expansion of product lines ¹ | Competitiveness increased Clients/customers increased ² Capability to serve wider market increased ¹ Access to bigger market (domestic and international market) increased ¹ Employment generated increased ³ (new employments only) Firms graduated from ³ : Micro to Small Small to Medium Medium to Large |
| Indicators as indicated in the MSMEDP 2017-2022 | | | | |
| Number of firms assisted and amount of investments per year Number of MSMEs assisted by sector and the total amount of assistance for monitoring | A list of activities per program may be printed for presentation/validation of the participants. No. of S&T interventions (PREXC) | No. of MSMEs, LGUs, HEIs, communities and other customers assisted (PREXC) | Percentage increase in productivity generated (PREXC) | Percentage increase in employment generated (PREXC) |
| Sources of verifications: ----- | | Regional Technical Evaluation Committee Report Project Information Sheet | Project Information Sheet | SETUP Impact Assessment |
| DOST GAA/Budget Project documents | Project proposal Memorandum of Agreement between SETUP and Cooperator Technology Needs Assessment Form Project Information Sheet | | | |
| Risks and assumptions: | | The cooperator implements the project in accordance with the approved schedule of activities and according to the identified and approved technological interventions. The cooperator repays the cost of project for a period of three years and monitoring of the performance of firm is continuous within the said period. The cooperator has good leadership qualities and marketing skills. | The firm decides whether to expand its product lines, volume of production, or expand operation. External events, such as inflation, pandemic, and disasters, may affect the outcomes. The firm owner has good leadership qualities and marketing skills. Monitoring ends after full refund rental payment. | The firm decides whether to access wider markets, increase capitalization or hire more people. External events, such as inflation, pandemic, and disasters, may affect the outcomes. The firm owner has good leadership qualities and marketing skills. Monitoring ends after full refund rental payment. |
| Required funds provided through the AA | All documentary and eligibility requirements have been complied and met by the firm. The firm owner has good leadership qualities and marketing skills. | | | |

¹ Source: 2016 SETUP Briefer

² Source: Revised SETUP Guidelines

³ Source: Regional Offices Strategy Map

1b. On Data Availability

The MSMEDP has three major outcome indicators: (1) increase in the number of registered MSMEs; (2) increase in employment of MSMEs; and (3) increase in the proportion of small-scale industries (enterprises) in total value added. The causal links between the component programs and the MSMEDP were reviewed and validated to establish how the programs could contribute to the attainment of the MSMEDP goals as gauged using the three major indicators. Having established the causal links, the next concern in evaluability assessment is availability of data.

Four important areas were examined in establishing the availability of data in the six MSMEDP component programs: (1) indicators being tracked and data being collected; (2) means of collecting data; (3) forms the data are available; and (4) periodicity.

Indicators being tracked and data being collected

The primary concern of the assessment was whether the indicators of the component programs are harmonized with those of the MSMEDP. This means the indicators being tracked in the component programs should be able to clearly translate to the indicators of the overall plan or should at least serve as a reasonable proxy. The data being collected should relate to a piece of information that could quantitatively or qualitatively define the indicators being tracked.

Means of collecting data

The interest was on ways of collecting data, including the procedures and instruments used as well as how data are organized and stored.

Forms the data are available

Refers to whether data are available in hard or soft copies, in systematized database or in scattered loose files, etc.

Periodicity

Refers to whether baseline data are available, frequency of data collection and whether regular updating is done. Regularity depends on the requirement of the program as mandated by its program management and funding source.

1b.1. Indicators being tracked and data being collected

This section summarizes the various indicators and data being tracked by the six component programs and relates these with what indicators are supposed to be tracked to clearly link the component programs with the MSMEDP (see again Table 3). The complete enumeration of the indicators and data being collected in the M&E system of each program is provided in the individual program reports (see annexes).

For KMME, the major indicators being tracked are the size of capital, sales, and personnel of the MSMEs. All these indicators could directly translate to the MSMEDP indicators, especially on increase in employment and increase in MSME's value added. The KMME and MSMEDP are therefore in-sync with respect to the indicators being tracked.

The KMME M&E system collects a wide array of data from its beneficiary MSMEs. Among the data being collected which relate directly with the program's major indicators are the asset

size of the MSMEs, sales data, number of products/service lines, number of customers penetrated in both the domestic and export markets and number of employees. If collected religiously, these data should be adequate to track the program's major indicators.

Similar to KMME, the P3 major program indicators are size of capital, sales, and personnel. These directly relate with the MSMEDP indicators. However, while the data on these are available these are not organized in a databank but instead are found in the application papers only for both the retail and wholesale schemes. In addition, the data are not aggregated at the MFI and SBC level, which could be a challenge in future evaluation.

In the case of SSF, the key performance indicators are the number of MSMEs assisted, number of jobs created, total sales value and the amount of investments generated. All of these are in-sync with the MSMEDP indicators. The data collected by the program includes sales generated, jobs/employment generated, total investments, number of SSFs established and facilities provided, number of MSMEs assisted, number of operational, partially operational and non-operational SSFs, status of the facilities, number of SSFs turned over/donated to cooperators and amount disbursed, among others.

The major indicators of the Negosyo Center program are the number of NCs established, number of MSMEs served, number of trainings facilitated, number of marketing events organized, and financing fora conducted. The indicators on asset size, employment generation and the growth in sales and profitability/income levels are also being monitored, which makes the program in-sync with MSMEDP.

The OTOP program probably has the largest number of indicators being tracked and data being collected, obviously owing to the enormity of the program. The program indicators are classified by services provided such as training, trade fairs, etc. Among the indicators, the number of MSMEs assisted, number of jobs generated, and the amount of sales generated by the MSMEs directly relate with the MSMEDP indicators.


For SETUP the major indicators include productivity/efficiency improvement, employment generated, gross sales generated and number of MSMEs assisted. A wide array of data is being collected to track these indicators and for management use. All the major indicators of the program directly relate with the MSMEDP indicators.

1b.2. Means of Collecting Data

The most important means of collecting primary data is through the application form of program applicants. In all the six component programs, applicants are required to fill-out an application form which gathers basic personal and business information. Simple business proposals which are required in accessing certain program assistance such as loans also serve as a rich source of primary data for the various programs.

In the case of KMME for instance, a one-page data capture form is required that gathers information including business name and branch, contact details, gender, form of ownership, major business activity and product/service line. The information gathered related to the indicators include initial capitalization, asset size classification, and number of employees. In addition, the KMME Operations Manual has a monitoring template that requires the Mentees to submit the form 6 months after graduation (**Figure 12**).

MONITORING TEMPLATE
 KMME-SF-0034



MONITORING TEMPLATE

DTI-R: _____ PROVINCE: _____ NEGOSYO CENTER: _____ DATE FILED: _____
 MENTEE NAME: _____ AGE: _____ CONTACT #: _____
 BATCH: _____ BUSINESS NAME: _____ INDUSTRY: _____

| Output Indicators | Baseline (Prior to joining KMME) | Results As of _____ | Remarks |
|---|----------------------------------|---------------------|---------|
| Sales (Php) | | | |
| Asset Size (Php) | | | |
| Amount of loans from financial institutions (Php) | | | |
| Number of products/service line | | | |
| Number of branch/franchise | | | |
| Number of major customers/clients penetrated (bulk orders, main accounts) | | | |
| ▪ Domestic | | | |
| ▪ International | | | |
| Number of Market Promotion Activities participated in (Trade Fairs, Bazaars, etc) | | | |
| ▪ Domestic | | | |
| ▪ International | | | |
| Number of employees | | | |
| Number of training programs for employees (ex: skills, technical training) | | | |
| Number of programs on human/labor relations and welfare programs (ex: team building, enrollment in healthcard, etc) | | | |
| Number of Business Solutions Utilized (ex: POS, Accounting Systems, Apps, etc) | | | |
| Number of Digital Platforms Participated in (ex: Own website, Facebook, Instagram, Lazada, Zalora, etc) | | | |

**Form to be completed 6 months after graduation*

KMME-SF-034

Figure 12. KMME Monitoring Template

Similarly, for OTOP, data are gathered from the company information sheet and product information sheet. Tracking the status of the business is available for every client if both company and product information sheets are regularly updated. However, there is no system to consolidate the data as these are not organized in a databank for easy retrieval.

For SETUP, the technology needs assessment (TNA) serves as an important means of collecting data, especially baseline data. In addition to the TNA, the pre-implementation

project information sheet (PIS) is also required for submission before the release of project funds. The Pre-PIS asks for the baseline data prior to the assistance such as: total assets, current employment, total volume of production, gross sales, total assets of the firm and pre-implementation assistance obtained from DOST.

In the case of P3 and SSF, data are gathered from the project proposals submitted by the proponent. This includes sales, production, and market data prior to the project. Updating the data, however, is a problem since the cooperators are often reluctant to divulge information. With regards to Negosyo Center, the business counsellors (BCs) play an important role in the updating of data as they are monitoring the MSMEs upward steps towards the 5-level enterprise development track (EDT). The BCs access and update the Client Profile and Monitoring System (CPMS) of DTI which maintains all data related to assistance provided to MSMEs.

It appears that in all the six component programs, there is an effective and easy means to collect initial data from the MSMEs. It is therefore possible to establish the baseline values in case the programs will be evaluated in the future. The difficulty though is in the updating of the data. Such updating is accomplished through a monitoring system designed to gather data while the assisted projects are in progress or even beyond. However, securing the participation of clients in providing updated information remains a challenge.

Some programs are trying to address the problem on data updating by requiring their clients to make a pledge of commitment (especially the component programs under DTI) which, among others include the provision of updated information when needed. Success on this however, seems limited as experienced by some programs. In the case of KMME for instance, the pledge of commitment which requires the mentee to update their information every three months for two years is not religiously being followed. On a positive note though, mentees usually update their information if they avail of other DTI programs in a different DTI database called the Client Profile Monitoring System (CPMS).

1b.3. Forms the Data are Available

All six component programs maintain databases where data are stored and managed. How the data are organized of course differ depending on the program. In the case of KMME, data are inputted into an online mentee database that forms part of the KMME database called the Data Catalogue. This is a spreadsheet provided by the KMME national office for the provincial and coordinators to use.

With regards to SSF, the project management office (PMO) maintains a database of information by geographic location (municipality, province, and region), industry clusters, by type of cooperator, and by requested equipment, and reported on monthly, quarterly, and annual basis.

Similar with OTOP, its PMO maintains a data base of all information required in the program's work and financial plan. The database is built from the information provided by the regional offices based on the template given by the PMO.

The DTI maintains the Client Profile and Monitoring System (CPMS) (**Figure 13**). It is an Excel database which contains the profile of the MSMEs being assisted by the DTI. It stores information about the MSME, including profile and other details of the owner or beneficiary of the assistance; profile of the MSME, including asset size, financial capital, sales, markets; type of assistance being provided; and level or stage of business which can be used for the enterprise development tracking (EDT). The system is not specific to KMME but is used for other *Negosyo Center* programs.

The DOST also used to maintain a national database for SETUP. However, the database is now being maintained at the regional and provincial offices since the time the program has been devolved to the regional offices. At the provincial level, the provincial science and

technology centers (PSTCs) maintain electronic databases (non-online) and distinct project files for their implemented projects, which includes SETUP.

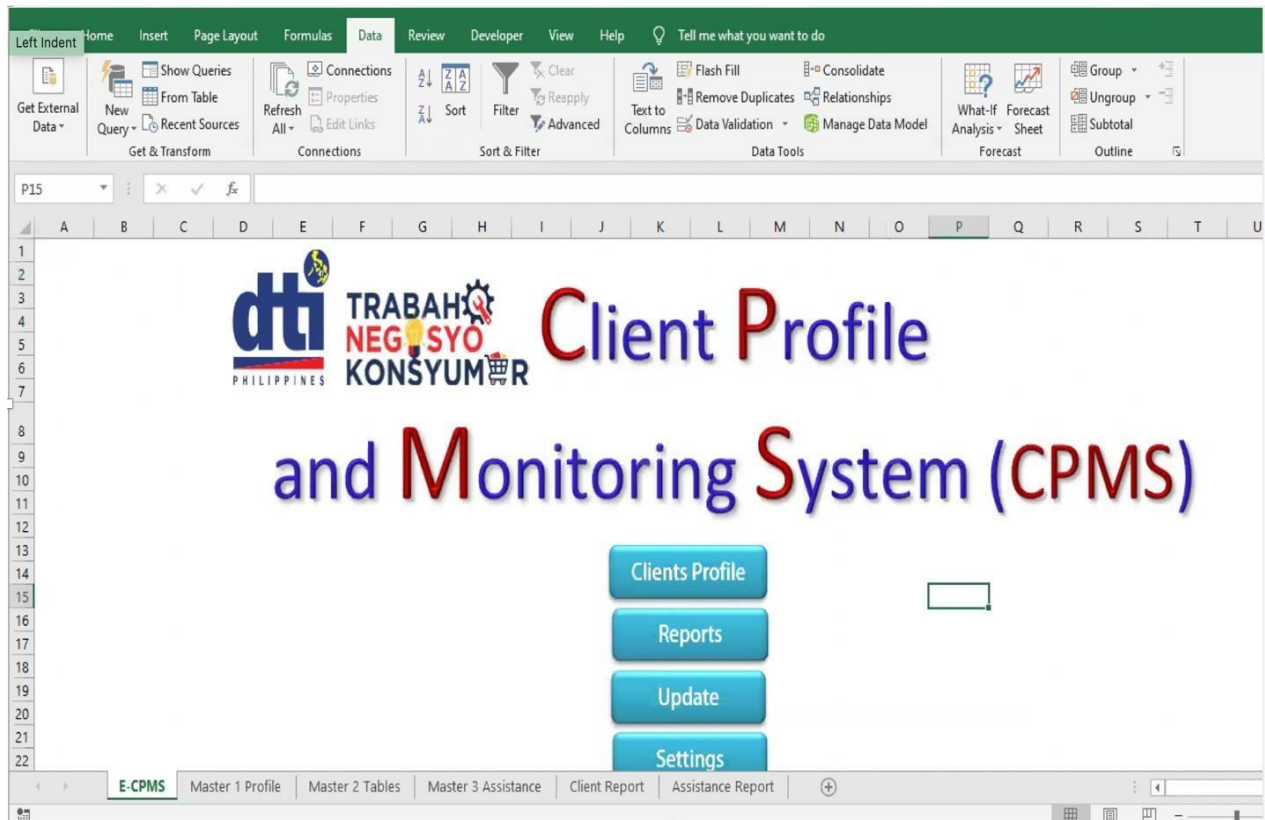


Figure 13. Client Profile and Monitoring System (CPMS)

1b.4. Periodicity

As mentioned earlier, establishing baseline values is possible in all the six component programs, although the level of difficulties may vary depending on whether the data are already neatly organized in a database or still have to be retrieved from hard copies of documents such as application forms, business proposals, etc.

The next important question is whether the data are being collected on a regular interval to track the progress of the indicators over a given period. It was learned from KIIs and FGDs that in the case of KMME, the monitoring template which is supposed to be the means to update data at least on a yearly basis is not being used. This would have been an effective avenue for generating data, particularly for MSMEs not availing of other DTI programs. The KMME also has Mentee Success Story Documentation Sheet which traces the mentees' journey before, during and after the KMME program participation. However, the documentation varies across regions or provinces and there is no regularity of submission.

Monitoring appears to be done more intensively and data are collected more frequently in

programs that provide loan assistance. Examples of this are the SETUP and P3 programs. In the SETUP program, the common data being monitored weekly or monthly include refund rates and liquidation status as well as sales and status of technology acquisition, among others. In the case of P3, its dashboard is regularly updated and contains among others, data on total loans released and the number of micro-enterprises availing P3 loans.

In the case of the Negosyo Center, it was learned from the KIIs and FGDs that the program dashboard is regularly updated since it is used by the business counsellors in tracking the

MSMEs movement or upward steps to achieve the 5-level Enterprise Development Track (EDT). Similarly, in the case of OTOP, at least yearly updating is done as data are used in annual planning as reference to what has been accomplished. However, it was learned from the KIIs that the company and product information data are not regularly updated since the company information sheet which contain these data are not updated. It would therefore be difficult to track the status of the MSMEs supported by OTOP.

Data updating appears to be better for SSF as its PMO maintains a database of all relevant information by geographic location (municipality, province and region), industry clusters, by type of cooperator, and by requested equipment, and make a report on this on a monthly, quarterly and annual basis.

1c. Stakeholders' Demand

The MSMEDP and its component programs are part of the broader PDP, 2017-2022. It is important to gauge the extent by which the goals have been achieved as the medium-term development plan draws to a close. An evaluation of the major components of the plan such as the MSMEDP is therefore high in the agenda of the national government.

The key stakeholders that would be interested in the evaluation are NEDA, DTI, and DOST, which have been the major movers of the MSMEDP and the component programs. The DBM, the upper and lower houses of congress and COA would also be interested as considerable amount of public resources have been used in supporting the plan and its various programs. The final results, particularly on the relevance, effectiveness, efficiency, sustainability, and impact are some of the general areas of interest of these stakeholders.

During the KIIs and FGDs, the program implementers both at the national and field levels have expressed the view that an evaluation is warranted so that specific enhancements can be identified and put in place. This is despite the fact that three of the programs, namely KMME, SSF and SETUP had already been subjected to an earlier evaluation. In the case of KMME an evaluation was done by the Asian Institute of Management (AIM) in 2019. However, it failed to cover the most important aspect on the number of SMEs which were able to scale-up as a result of the program. The SSF was evaluated by the Philippine Institute for Development Studies (PIDS) in 2016, but the evaluation was considered preliminary and was done prior to the MSMEDP. The impact of SETUP was evaluated by the Development Academy of the Philippines (DAP) in 2019, but this covered the period when program implementation was still centralized at the DOST. A performance evaluation of SETUP under the decentralized implementation structure could yield valuable insights to further improve the program.

1d. Robustness of the M&E System

This section presents the assessment of the robustness of the M&E systems in place for the six MSMEDP component programs. The robustness of the M&E system is the single most

important determinant of the accuracy and integrity of the data, thus should be given adequate attention in any evaluability assessment. In this report, data integrity refers to the adequacy of the M&E system to generate accurate data and a reasonable level of assurance that the system of data collection is free from biases that may cast doubt on the data collected. More detailed discussions on this can be found in the individual evaluability program reports annexed to this main report.

1d.1 KMME M&E System

The KMME M&E system is lodged with the Program Management Team (PMT) which, in the program structure is at the strategic level of program management (**Table 10**). It was validated through KIIs that the program structure reflects the direction of target setting (top-down), data collection and report submission (bottom-up), and monitoring and evaluation (all levels).

Table 10. KMME Program Implementation Structure

| Level | Committee | Composition | Regular Meetings | Key Functions |
|-------------|-----------------------------|--|------------------|--|
| Policy | Project Steering Committee | DTI (OSEC, OUS- ROG & BSMED) PCE GN NSMEDC, Senate BA Office | Annually | Sets directions, issues policies, allocates resources, approves plans, controls over-all results |
| Strategic | Program Management Team | DTI-ROG OAS and BSMED OCE-GN | Quarterly | Prepares/recommends plans, policies, resources Communicates and coordinates Monitors and evaluates |
| Operational | Regional Steering Committee | DTI-NC DTI ROs/POs, PCE- GN & Partner Organizations | To be agreed | Implements approved policies and plans, communicates and coordinates, monitors and evaluates |

Source: KMME Operations Manual.

Ideally, the M&E activities for the KMME includes checking targeted outputs of the program; conducting baseline profiles; reviewing the quality of deliverables; measuring actual physical output versus financial utilization; conducting site visits; and measuring outcomes based on key performance indicators. Thus, an evidenced-based reporting system is established. This involves generation of monthly reports and quarterly consolidated report covering physical outputs including number of batches launched, number of participants, number of enrollees and number of graduates, as well as fund utilization. The PCE also generate reports on the number and complete roster of mentors and status of the PCE targets. During the KIIs, provincial and regional coordinators claimed that these reports are regularly being submitted.

The BSMED is tasked to be the lead for monitoring and evaluation, including the development of a concise evaluation process. The vision is to monitor the progress of the mentees after graduation, and more importantly focus on key result areas such as growth in sales volume and revenue, profitability and cash flow, employees, and capacity. An annual evaluation and planning are conducted, together with external consultants, to evaluate attainment of targets and adjust program approaches, whenever necessary. During these planning and evaluation sessions, mentees are oftentimes invited to provide feedback.

The Client Profile and Monitoring System (CPMS) is the principal database for the KMME M&E system. The limitation of the CPMS however, is the use of Excel as its programming and database tool. In most of the KIIs, issues on speed of processing and consolidation at the Regional Level were pointed out by the key informants. It is also possible that the high number of entries per province over time will eventually cause problems to the system. The program score card under the KMME Strategy Map has recognized this problem and has proposed the digitization of processes and its optimal functionality.

As part of evaluability assessment and to validate whether indeed beneficiaries of the program are being monitored, questions on this were included in the survey of KMME respondents. It was found that a large majority (82%) of respondents were being monitored mostly monthly and quarterly by the DTI personnel (**Table 11**). The respondents also shared that they are being requested to provide data and documents for updating their records in the database.

Table 11. Monitoring of KMME Respondents (Beneficiaries)

| Item | Number reporting | Percent (%) |
|---------------------------|------------------|-------------|
| Being monitored by KMME | | |
| Yes | 74 | 82 |
| No | 16 | 18 |
| How often being monitored | | |
| Weekly | 6 | 7 |
| Monthly | 27 | 30 |
| Quarterly | 21 | 23 |
| Yearly | 9 | 10 |
| Others | 9 | 10 |
| Entity/Person monitoring | | |
| DTI | 4 | 4 |
| Others | 5 | 5 |

1d.2. P3 M&E System

The M&E system of P3 encompasses three levels—SBC, MFI, and credit delivery partner. The Small Business Corporation (SBC) is the program owner. It established a program monitoring unit to handle the M&E of P3 and its other lending programs. However, it has yet to implement actual monitoring of P3 and it was learned from the KIIs and FGDs that the field personnel of SBC were not even aware of the activities of the unit.

What is closely being monitored in P3 is the financial aspect of the program particularly pertaining to payments of loans. Regular monitoring is done on the following indicators: (1) number of beneficiaries, loan amount, covered areas, number of provinces reached, and volume of assistance. Other indicators include purpose of the loan, beneficiaries, and utilization rate. For direct retail scheme, monitoring is being done for the first 6 months and quarterly thereafter. For the wholesale scheme, monitoring is done during audit and field validation, as well as payment monitoring through PDCs issued by the MFIs.

At the MFI level, data collection and M&E system vary depending on the MFI's own systems, processes, and procedures. Eight cooperatives serving as MFIs were interviewed during the KIIs and FGDs. These cooperatives were from Ilocos Norte, Nueva Ecija, Laguna, Eastern Samar, Aklan, Davao del Sur and Agusan del Sur. All of these cooperatives shared their experiences on the field validation conducted by the SBC after the liquidation of the first draw down of funds. The Cooperative staff were not involved during the SBC validation, but assisted

the Corporation in locating the end-borrowers. The Cooperative is monitored by SBC every 6 months, but the focus was on financial data.

The Cooperatives also conduct their own monitoring of their borrowers, usually coinciding with collection activities. For ACC, collection is done daily, hence monitoring is also daily. The supervisors check if the business is doing well; if the business has grown and if they still have supplies. If they are doing well, then they can increase the loan amounts during loan renewal. There is no systematic monitoring system in place in the cooperatives to monitor outputs and impacts of any of their loans on the members businesses. It must be noted, however, that there is baseline data collected and submitted to SBC, although this is not consolidated.

A more extensive case analysis was carried out on the Cebu Multipurpose People's Cooperative (CPMPC) to determine the M&E system at the level of credit delivery partner. The Cooperative manages the P3 loans in Cebu for both members and non-borrowers alike.

As of July 2020, there were 350 P3 borrowers processed by the CPMPC with loan amounts ranging from P5,000 to P150,000, with a payment term of six months to one year. However, this includes those from the credit loan windows other than the P3 such as the RECREATE loan for working capital or purchase of fixed assets for business use, Household Enterprise Livelihood Program (HELP), Feeds Financing Program, Farm Financing Program, Production Loan Easy Access (PLEA), as well as other loan programs. The SBC monitors the coop every month, where information about the borrower is uploaded by the coop into the SBC system. The cooperative checks the borrower status every time they renew the loans, especially if the loan amount has been increased.

As part of the validation being carried out under the evaluability assessment, ninety beneficiaries of P3 were asked whether they are being monitored by the program. The large majority (59%) confirmed they were being monitored, but mostly in relation to payment or collection of their loans (**Table 12**). The frequency of monitoring is either monthly as shared by 40 percent of the respondents or quarterly according to 21 percent of the respondents.

Table 12. Monitoring Activities for P3

| Item | Number reporting | Percent (%) |
|-------------------------------------|------------------|-------------|
| Being monitored | | |
| Yes | 53 | 59 |
| No | 37 | 41 |
| Frequency of monitoring | | |
| Daily | 6 | 11 |
| Weekly | 9 | 17 |
| Monthly | 21 | 40 |
| Quarterly | 11 | 21 |
| Others (Semi-annual, depends, once) | 6 | 12 |
| Entity/Person monitoring | | |
| P3 personnel (SBC) | 0 | 0 |
| Lending institution (Cooperative) | 79 | 88 |
| DTI | 11 | 12 |
| Required during monitoring | | |
| Data | 19 | 21 |
| Documents | 25 | 28 |
| Payment | 65 | 72 |
| Others (N/A, Status, Livelihood) | 7 | 8 |

1d.3. Negosyo Center M&E System

At the national-level, the M&E for NC is being done by the NC-Project Management Unit which is under the DTI Regional Operations Group (ROG). The PMU also provides report to BSMED on the status of NC implementation especially during the MSMEDP Council Meeting. Report of the PMU is a consolidated report of all regional reports.

At the Regional level, the NC is under the Business Development Division. A Regional Coordinator is assigned to spearhead and oversee the operations of the NCs in the region. The RC is directly coordinating with the NC Provincial Coordinators who coordinate with the Business Counsellors (BCs). **Figure 14** shows the information and reporting flow in monitoring the implementation of NC. In some areas like Region 8, another layer of monitoring is done by a BC Cluster Head who monitors a group of BCs in certain areas or districts.

Important databases used in monitoring NC include the dashboard used by BCs to monitor their monthly activities and services provided and the CPMS used to capture MSME information. The CPMS includes the EDT level which the BC assign to a specific MSME based on initial assessment and indicators. However, the KIIs indicated some issues in the use of

CPMS such as the numerous data field requirements, dependability on internet connectivity, double counting of some entries and other technical issues.

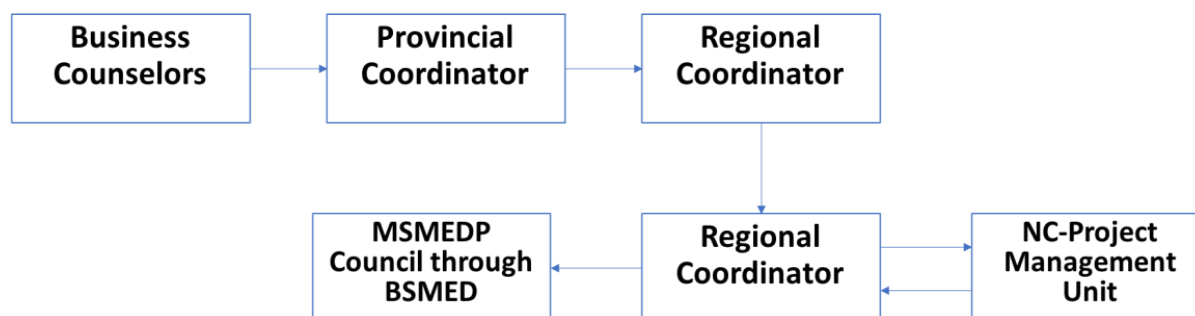


Figure 14. Negosyo Center information and reporting flow.

The survey of NC beneficiaries, 53 percent of the respondents indicated that they are being monitored by the NC staff either monthly (43%), quarterly (10%) or yearly (6%) (**Table 13**). During the KIIs, it was pointed out that BCs act as the focal DTI person in the locality such that they are performing activities outside the mandates of NCs. BCs are also tapped to perform price monitoring especially during times of calamities or state of emergency; they also coordinate conduct of activities in the barangay such as the provision of support for the *Negosyo sa Barangay* initiative; and other promotional activities of DTI programs/projects.

Planning is also done annually to present the accomplishments and discuss the targets for the operation of NCs. The ROG, Regional Directors and Coordinators with the support from NC PMU agree on the targets to be accomplished which include the number of NCs to be established in each region until NC is established in all provinces, cities and municipalities in the country.

Table 13. Monitoring Activities for Negosyo Center

| Item | Number reporting | Percent (%) |
|--|------------------|-------------|
| Being monitored by NC | | |
| Yes | 42 | 47 |
| No | 48 | 53 |
| Frequency of monitoring | | |
| Daily | 1 | 1 |
| Weekly | 3 | 3 |
| Monthly | 18 | 43 |
| Quarterly | 9 | 10 |
| Yearly | 5 | 6 |
| Others (semi-annual, every other month, depends) | 6 | 7 |
| Entity/Person monitoring | | |
| LGU | 2 | 2 |
| Lending institution | 0 | 0 |
| DTI | 40 | 44 |
| Others (DAR, MAR) | 1 | 1 |

1d.4. Shared Service Facilities (SSF) M&E System

The SSF Project is under the supervision of the DTI-Office of the Undersecretary for Regional Operations Group (ROG). An SSF Project Management Office in BSMED was created whose tasks are to coordinate the monitoring and evaluation of the project, generate and consolidate the periodic reports from the DTI Regional Offices, and provide secretariat support to NTWG and technical support in the procurement of the needed facilities.

The regional and provincial offices serve as the project's implementing arm. The SSF Focal Person in the province, apart from leading the approval of SSF projects and having them implemented by Cooperators, has to closely monitor the status of implementation, collect the required data, process and consolidate the data and have these submitted to the regional focal person. The regional SSF focal person also conducts field visits but not on regular basis.

There is no M&E plan, hence the conduct of M&E may differ among regions and provinces. In the case of Central Luzon, a monitoring team from DTI Provincial and Regional Offices undertakes the M&E. The team is composed of the Provincial Account Officer and Chief, and Regional Account Officer and Chief. The team tracks the status of approved SSF projects and the data gathered are inputted in the SSF database from which reports are generated for submission to the PMO. In Cebu, the Negosyo Center Business Counselors conduct the monthly monitoring and submit the reports to the provincial officer using the prescribed monitoring form.

In all other areas covered by the evaluation, there is only one Trade Promotion Officer designated as SSF Focal Person in the region and another in the province, both of whom may and may not be supported by a contractual staff. The focal person often handles other projects like OTOP and KMME.

Data gathered are inputted in Excel using the prescribed template. These are then submitted to the regional office for consolidation. With the current situation, data are generated from Cooperators through phone interviews and text messaging. The provincial reports are also submitted online. Before the pandemic, processed data are submitted in hard and soft copies. These physical reports are submitted to the regional office monthly and quarterly. The regional office consolidates the data which are then submitted to the SSF-PMO.

The SSF-PMO conducts annual evaluation of the project during its planning activity. The internal audit office, ROG Management and BSMED conduct regular monitoring visits to established SSF projects to assess the overall project implementation and management including determination of areas of improvement as well as identifying best practices.

Still, the PMO sees the need to constantly revisit the M&E system to come up with enhance data collection scheme. This is because the project was conceptualized without a thorough study, hence a monitoring system was not well established. At the moment, there are three types of monitoring being done:

- a. Financial monitoring as part of the budget preparation and approval process, SSF-PMO conducts extensive and regular monitoring of the utilization of the project funds;
- b. Physical progress monitoring as part of compliance to the MSMED Plan and the Philippine Development Plan where the SSF Project is enrolled as a major project for MSME development, SSF-PMO conduct regular monitoring of the physical count of the established SSFs with a set target by the end of the plan period; and
- c. Technical monitoring and spearheading and coordinating the impact assessment such as those conducted by PIDS and UPISSI (UP Institute of Small-Scale Industries).

Within the provincial and regional offices, internal evaluation is being done to determine the critical issues to be resolved and the plan of action to be done. Lack of manpower in the implementing units is one critical issue as this is a key element for efficient implementation of the SSF.

1d.5. One-Town-One Product (OTOP) M&E System

Data collected serve as evidence of performance of each initiative funded by the program. Yearly targets are laid down as foundation for comparison to what was actually accomplished. A comprehensive evaluation of what these numbers signify is accomplished annually, making it easier to map out trends and gauge a project's impact.

Results of these evaluations are used by the PMO to assess whether or not the budget allocated to the program is maximized to its fullest potential. If, for example, the results are not up to par, then the program head would propose more initiatives which would exhaust all possible means to cover areas in which the program may be lacking in.

The program sometimes experiences gaps in its monitoring and evaluating system. Whenever there is a staff turnover, data collected by previous PMO staff may not be readily accessed. However, great effort is exerted to fill in these gaps, most notably in consistently updating and innovating the templates used for monitoring as the situation demands.

In the case of monitoring, gaps may also occur due to departures of contractual employees. Aside from the challenges posed by turning over the data, the workforce would sometimes experience shifts in dynamics that would make it difficult for the team to be consistently in alignment. But then, the broad objectives of the program are made clear to all staff at the PMO which motivates them to continue the program's commitment to assist the MSMEs.

1d.6. SETUP M&E System

The DOST Regional Offices (RO) assume the main responsibility in monitoring the projects especially since the SETUP funds were already devolved to their offices. Before this, monitoring was done by the national office. Results of KIIs suggest that the current monitoring arrangement is better. Monitoring of all approved projects is the main responsibility of the DOST RO thru the PSTC. This process starts from the release of funds up to the end of the project when the beneficiary has refunded the financial assistance (iFund) provided.

The regional office has a Planning, Monitoring and Evaluation and Management Information System (PMMIS) Unit which is responsible for the M&E activities in the region. It sets annual M&E activities in the provinces and reports its findings to the top management. Part of the regular function of PSTCs is the monitoring of its Programs and Projects, including SETUP. The PSTCs regularly conduct site visits to the projects or through phone calls to gather relevant data regarding project implementation. They also submit Semestral Status Reports and the annual Project Information Sheets (PIS).

Monitoring Forms: The Regional Offices use standardized monitoring forms which are filled out and submitted quarterly. A PSTC KII mentioned his office has enhanced the form for internal use to suit their specific needs.

The 2019 SETUP Guidelines (Revision 2.0) states that the following M&E reports shall be prepared on a periodic basis for the program: 1) semestral progress report, 2) project information sheet as prescribed in the MOA, 3) completion report by the PSTC, 4) audited financial report by the Finance and Administrative Services, and 5) annual summary of refund performance report.

The PSTCs maintain electronic databases (non-online) and distinct project files for their implemented projects. These provide real-time data and snapshots of the project status. A SETUP M&E milestone was reported by a key informant from Visayas citing that their PSTC already introduced an online system monitoring. However, the system has to be made more user- friendly and more responsive to the needs of the monitoring office. One particular problem is the difficulty in encoding data. To date, DOST has started streamlining an Information and Monitoring of Projects, Services and S&T Interventions (IMPRESSION) IT System developed by DOST IVA which is a centralized tool for monitoring, documentation, and management of SETUP, Grants-in-Aid (GIA), and other projects of the DOST nationwide.

The common data being monitored weekly or monthly include sales, employment, status of technology acquisition, refund rates and liquidation status, among others. These are also used as basis by the PSTCs in determining the needed actions to take. For instance, if the beneficiary is unable to acquire the technology during the prescribed period of one (1) year, the PSTC verifies the problem, writes a demand letter to the firm to act on it or makes request to the regional office to adjust the project duration if reasons are justifiable.

Survey respondents affirmed (94 percent) that DOST monitors them monthly (40 percent) and quarterly (48 percent), and that data, documents and payments/refunds are required (**Table 14**). A key informant respondent (from a province in Luzon) shared that PSTC monitors status of refund. The post-dated checks issued by beneficiaries at the start of the project are monitored for availability of funds before these are deposited in the bank. There is an associated penalty for payment default, albeit clients are normally spared, and extension is provided for justifiable cases. During COVID -19 however, DOST gave a moratorium of 5 months for refunds. Prior to the pandemic, refund rate is about 85 percent according to many KII respondent implementors.

Table 14. Monitoring Activities for SETUP

| Item | Number reporting | Percent (%) |
|--|------------------|-------------|
| Being monitored by SETUP | | |
| Yes | 82 | 94.25 |
| No | 5 | 5.75 |
| Frequency of monitoring | | |
| Weekly | 2 | 2.30 |
| Monthly | 35 | 40.23 |
| Quarterly | 42 | 48.28 |
| Yearly | 3 | 3.45 |
| Others (Once, Semi-annual, depends) | 5 | 5.75 |
| Entity/Person monitoring | | |
| DOST | 81 | 93.10 |
| DTI | 6 | 6.90 |
| Required during monitoring | | |
| Data | 63 | 72.41 |
| Documents | 61 | 70.11 |
| Payment | 52 | 59.77 |
| Others (attendance to training, reports) | 10 | 11.49 |

In a recent 2018 COA audit report, inadequate monitoring and thorough evaluation of the factors that will ultimately impact on the success or failure of the project, such as ready building facility that will house the SETUP equipment, financial capacity of the proponent, appropriate equipment technology, and potential market of the product resulted in defaulted refund payments of several proponents/beneficiaries, premature termination of the projects, and pullout of equipment.

COA found Php 461.150 M that is "already past due for almost one to over 10 years." Many businesses, it turned out, failed despite the SETUP funding and therefore were not able to repay the DOST. According to COA, termination of contract agreements by various beneficiaries was due to the following: weak market demand, health problems of the owners, internal conflicts within the organization, low sales, and others which ultimately led to non-payment of their obligation to the government (COA, 2018).

DOST responded to the COA findings and clarified that over the years, SETUP has been an effective vehicle for promoting the adoption of DOST-developed technologies. Among the top DOST-developed technologies that were adopted by SETUP firms are the iron-fortified rice and complementary foods (rice-mongo curls and food blends), thermally processed instant food products, and squash noodles and bread developed by DOST-FNRI; muscovado sugar production, salt iodization machine, bioreactor technology, and plastic densifier developed by DOST-ITDI; and kiln dryer of FPRDI, among many others.

Despite the many successes that the program has achieved so far, the Department acknowledges that the implementation is not without problems.

As pointed out by the COA in their 2018 Audit Report, an accumulated balance of SETUP accounts recorded under the Department's Other Receivables account amounting to Php 461.15M were already past due for almost one to over ten years, of which Php 251.04M were reported with delinquent/defaulting proponents.

It must be noted, however, that this reported overdue receivables of Php 461.15M is only 9.59 percent of the total SETUP investment of Php 4.806B from 2002 to 2018 while the reported amount with delinquent/defaulting proponents only comprises 5.22 percent of said investment.

It has to be clarified further that, as reported by COA, Php 6.22M out the Php 251.04M came from delinquent accounts for over three months to 20 months only. The same COA report also stated that some of the firms failed to make refund payments because their equipment/businesses were affected by typhoon, which is a fortuitous event. Regional offices have already endorsed some of the delinquent accounts to the Office of the Solicitor General for legal remedies.

Out of the Php 4.806B SETUP investments from 2002 to 2018, Php 2.234B (or 46%) were funded during the last three years (2016-2018) and these are for projects that are still ongoing and are well within the 3-year refund period. DOST's partial data for the total refund payments collected as of December 31, 2018 is already Php 3.192B. SETUP is the only government program (which helps MSMEs acquire technologies) that returns funds to the national treasury.

The list below shows the M&E gaps identified during the KIIs and FGD and the 2018 COA report:

- Non-compliance of beneficiaries in the submission of report. They tend to submit reports immediately only in the pre-implementation of the project and before the fund release but tend to neglect it after the release of funds.
- For the SETUP Team, manpower is still the gap (understaffed). High turn-over rate of the staffs as they are under contract of service.
- Effect of the COVID situation. SETUP Team cannot regularly communicate with the beneficiaries due to weak internet connection and restrictions on field/site visits.
- Difficult indicators to collect/estimate: The indicator "increase in productivity before and after the assistance" is difficult to collect for regional staff as they have limited training on this. The indicators end up being merely based on the perception of the enterprise owner.
- Intensify collection efforts of repayment of iFund by sending demand letters and take appropriate legal action against the defaulting proponents for their failure to settle or refund their obligations on time, as per memorandum of agreement (COA,2018).

2. On Relevance, Effectiveness, Efficiency and Sustainability

A preliminary evaluation of program performance was carried out to deepen the assessment of the evaluability of the MSMEDP component programs. The performance parameters examined were relevance, effectiveness, efficiency, and sustainability. There are at least two reasons why preliminary performance evaluation could inform an evaluability assessment. First, by initially gauging the performance of the program, its readiness for a full-blown evaluation could be better examined. Second, by making a preliminary assessment of performance, the key evaluation questions that should be pursued in a full-blown performance evaluation could be more effectively identified.

The preliminary assessment of the programs against the parameters of relevance, effectiveness, efficiency, and sustainability was done by determining the perceptions of the program beneficiaries on these. This was done by providing the respondents with statements relating to the parameters of interest and gauging their level of agreement or disagreement using a 5-point Likert scale. Reasons to substantiate the response were also gathered from the respondents. Ninety randomly picked program beneficiaries served as the samples per program for a total of 540 samples for the six programs.

2a. Kapatid Mentor ME (KMME)

2a.1. Relevance

On relevance, **Figure 15** shows that the distribution of the respondent's response is extremely skewed to the Likert scores of 4 to 5, which means there is high agreement among the respondents that the KMME program is relevant to them. Majority of the respondents shared that the program enhanced their management capability and business operation. The knowledge gained from the modules on mindset and values of a successful entrepreneur provided them a guide on setting and attainment of business goals. Equally important are the modules on product development, finance and operations management which enabled the entrepreneurs to fully realize the potential of their business. This supported the findings of the KMME Impact Assessment Study of AIM (2018) that KMME provided mentees suggestion on how to navigate the business world, enhanced the entrepreneurial skills for the long term, provided knowledge on proven approaches to prevent or address problems when they arise, created more positive work environment that led to reduction in turnover rates, influenced growth of sales, market share and productivity.

The formulation of the Business Improvement Plans is one of the important modules cited, as this provided them with the tool to guide them in their business venture. The formulation of the plans served as an eye opener for budding entrepreneurs and provided recommendations on how to handle their businesses. The business plan is formulated with the guidance of the mentor-entrepreneurs who shared their practical knowledge and skills.

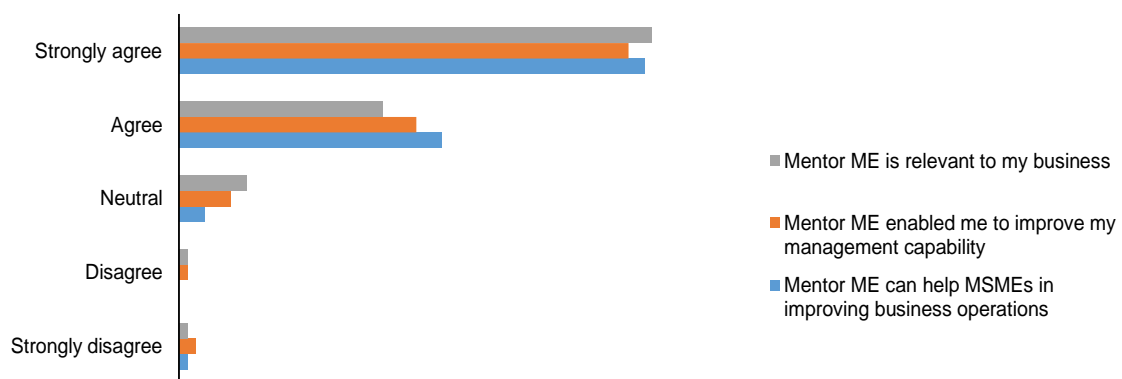


Figure 15. Respondent's perception on KMME relevance

2a.2. Effectiveness

The large majority of respondents also consider the KMME program as effective as gauged by their willingness to recommend the program and apply the knowledge they learned (Figure 16). The modular sessions provided them with effective business knowledge and principles and the program served as venue to widen their network and join forces (**Figure 16**) with their co-mentees so that they can become a more "powerful" block in the supply chain. After the conclusion of the modular part of the program, mentees organize and even register themselves as a group. For instance, the La Union Group established a rolling store and coordinated very actively with the LGUs. As another example, the Pangasinan Entrepreneurs Association claimed they now have a bigger bargaining power and a stronger voice in business negotiations. As new-found allies, mentees maintain close contact with their mentors and co-mentees after the training. For the online batches, the feedback is fast since queries are posted through the chat box. Also, once MSME has undergone KMME, it becomes easy to hone them as they adopt easily to other programs.

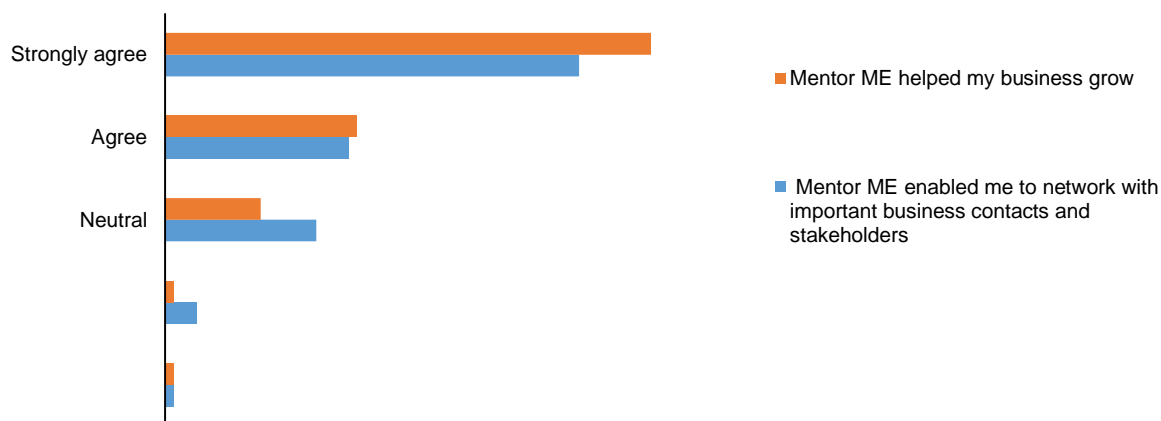


Figure 16. Respondent's perception on KMME effectiveness

2a.3. Efficiency

The respondents gave dichotomous views on the efficiency of program delivery. On one hand, there were mentees who believe the face-to-face KMME was efficient. On the other hand, there were those who think it is costly and the on-line KMME is a less costly alternative. In both modalities though, the respondents acknowledge that the mentors are paid minimal honoraria and that they appreciate the commitment and dedication demonstrated by their mentors, despite the very small financial reward.

The respondents also related program efficiency, particularly training efficiency, with the improvement in their businesses as a result of the program (**Table 15**). The survey showed that the respondents believe the program improved the following aspects of their business: management operations (96%), product or service quality (90%), labor efficiency (84%), lowered production cost (68%) and shortened the production process (59%).

Table 15. Respondent's Perception on KMME Effect on Business Efficiency

| Perception | Number reporting | Percent (%) |
|--|------------------|-------------|
| Improved efficiency in management operations | 86 | 96 |
| Improved quality of products and/or services | 81 | 90 |
| Improved labor efficiency | 76 | 84 |
| Lower cost of production | 61 | 68 |
| Shorter production process | 53 | 59 |

2a.4. Sustainability

The respondents have positive view on the sustainability of the program (**Figure 17**). They believe funds from government will be sustained as the program is quite relevant and successful. The program also proved to be resilient as demonstrated by the shift to an on-line mode due to the pandemic, yet the program continues to deliver on its mandates. One consideration though is the need to ensure a constant supply of mentors, albeit some regions think they might run out of mentees to invite. Other factors for sustainability include sustaining stakeholder interests, and the continued relevance of the modules to the needs of the mentees as well as the current business climate.

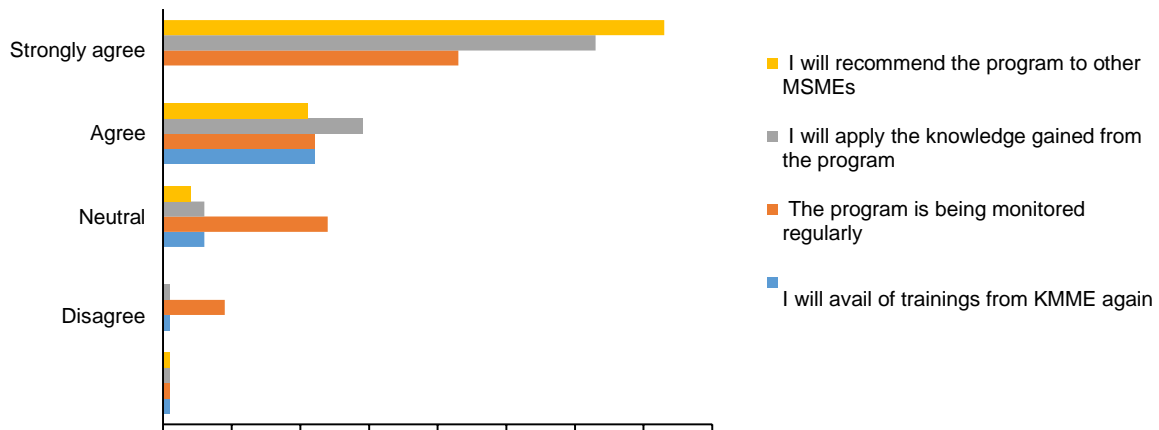


Figure 17. Respondent’s perception on KMME sustainability

2b. Pondo sa Pagbabago at Pag-asenso (P3)

2b.1. Relevance and Effectiveness

As gathered from the KIIs and FGD, the P3 program implementers on the ground believe that the program is relevant and effective in terms of providing loans to its targeted beneficiaries. This is especially true for the wholesale scheme with the MFIs, whose borrowers are the small livelihood enterprises in the public markets, ambulant stores located near the schools and sari-sari stores. The program was able to cater to the needs of these microenterprises (ME) by providing them with their needed capital to enable them to continue on their businesses at lower interest rates that can compete with the usurious lending rates.

The survey results validated the views of the implementers. The respondents perceive the program as relevant as it addresses their need for low interest credit which they use to improve business operations (**Figure 18**). Respondents also perceived that the program is also effective as it lessened their dependence on informal credit source which charge usurious rates (**Figure 19**). Informal credit sources include family/friends and 5-6 money lenders. The minimum documentary requirements to avail of P3 loans are business permit or barangay certification of existence of business, and identification card. In comparison, 5-6 money lenders require collaterals for loans.

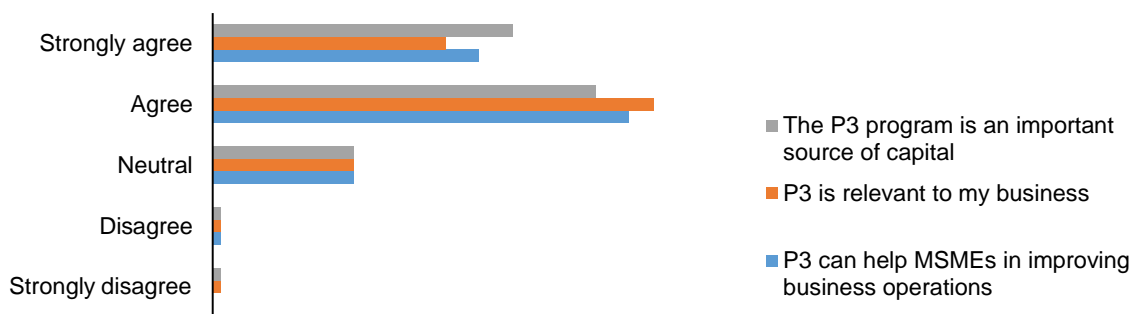


Figure 18. Respondent’s perception on P3 relevance

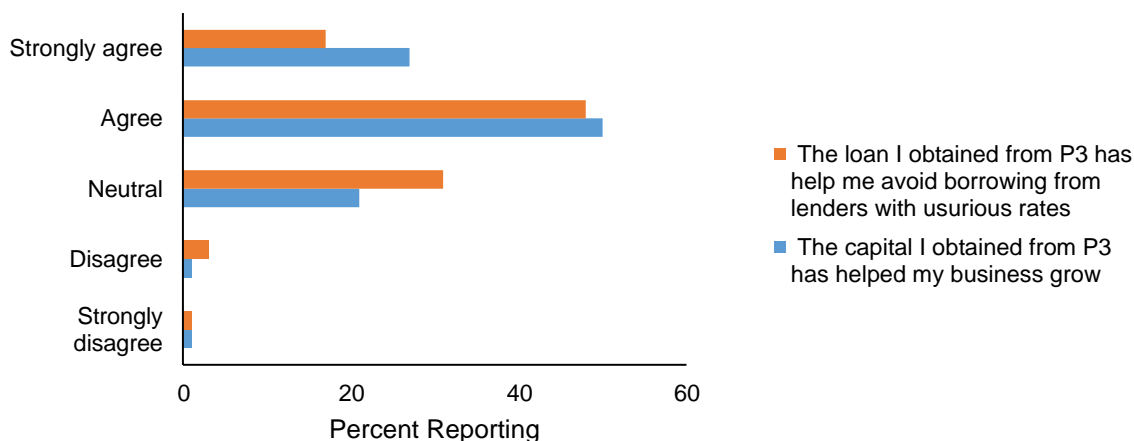


Figure 19. Respondent's perception on P3 effectiveness

2b.2. Efficiency

There is room for improvement in the implementation of the program with regards to efficiency. Its implementers believe that although the interest rates are competitive, it is difficult to compete with the 5-6 lending scheme in terms of speed of loan releasing, documentary loan requirements and payment collection. Although P3 requires minimal documents, this still depends on the amount of loan. Some borrowers still have difficulty complying with the documents on time, especially the business permit or barangay certification and the feasibility plans required by some cooperatives and MFIs. This hinders the timely delivery of the loans, or the release of loans when they are most needed. Many borrowers also prefer weekly or monthly payment over the daily payment required by some cooperatives and MFIs so they can still use the capital. For retail borrowers, the issue of paying in the designated payment centers has been raised, especially if they have to pay in the banks, as this takes up most of their time that would otherwise have been used in business. There is also the issue of lack of manpower for marketing, validation, and monitoring of beneficiaries.

At the wholesale level, however, where monitoring and collection for the P3 loan is treated just like their other loan windows, efficient implementation was reported. However, the M&E system needs to be developed, especially because this is a continuing program and reports have to be made to the Congress to account for the funds.

At the respondent level, the loans from P3 improved the efficiency in management operations (63%), improved the quality of their products and services (56%), improved labor efficiency (44%) and lower cost of production (31%) (Table 16).

Table 16. Perception of Loan Efficiency

| Efficiency indicator | Number reporting | Percent (%) |
|--|------------------|-------------|
| Lower cost of production | 28 | 31 |
| Shorter production process | 18 | 20 |
| Improved quality of products and/or services | 50 | 56 |
| Improved labor efficiency | 40 | 44 |
| Improved efficiency in management operations | 57 | 63 |

Majority of the respondents agree/strongly agree that the requirement for P3 loans are easy to comply, and that this provided their business access to capital with affordable interest rates (Figure 20).

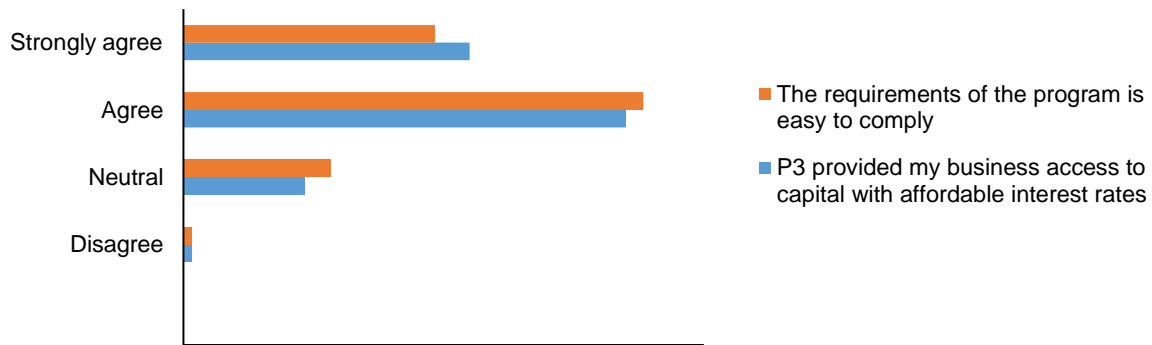


Figure 20. Respondent’s perception on P3 efficiency

2b.3. Sustainability

According to SBC, the yearly GAA provisions and the high repayment rate ensures the sustainability of the program. Although the program currently suffers from a high default rate due to the pandemic, historical trends have shown that the system of collection and repayment, especially for the wholesale, will have funds for reflows for relending.

The start of the program, P1 B funds was released in 2017, the same amount in the succeeding years. The flexibility of the program design has been repeatedly demonstrated. During the Marawi conflict, P3 had a special rehabilitation program. The program also transitioned to P3 CARES to address the issue of closures of small businesses and the influx of overseas Filipino workers affected by the health pandemic. With the strong support of government, the additional funds for P3 through the *Bayanihan Act 1 and 2* would be important to sustain the program.

In terms of perception about the P3 program sustainability, respondents said they will recommend the program to other MSMEs, the programs are being monitored regularly and that they will avail of the program again (**Figure 21**).

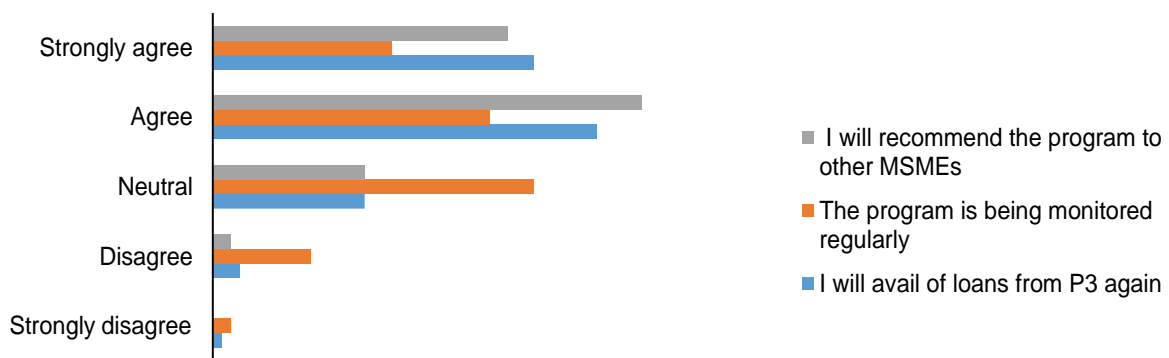


Figure 21. Respondent’s perception on P3 sustainability

2c. Negosyo Center (NC)

2c.1. Relevance

In terms of relevance, KII and FGD participants indicated that they considered NC as a very relevant initiative from DTI. It shares a common goal with LGUs that is to improve the business climate in their localities by providing guided and easy process of business name registration and access to support services such as trainings and seminars and information on how to improve/develop enterprises. The services offered are necessary to cater for an enabling environment for MSMEs to grow and develop. Majority (59%) of the survey respondents agree to strongly agree that NC improved business climate in the area and that it has supported MSMEs' business operations (62%). They also perceived NC to support expansion and competitiveness of MSMEs through the promotional activities and advocacy initiatives (**Figure 22**).

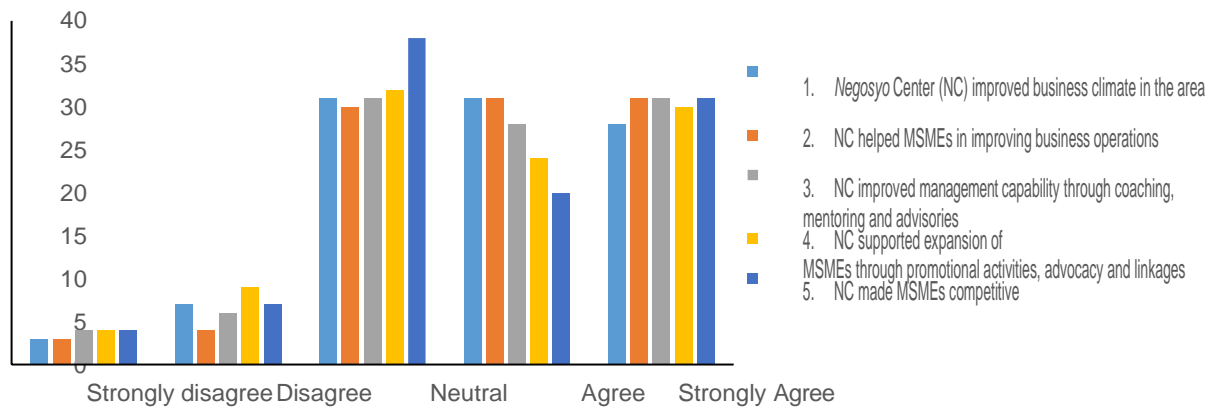


Figure 22. Perceived relevance of the Negosyo Center

Through NCs, MSMEs are able to participate in promotional activities such as trade fairs or events where MSME products are displayed and promoted. MSMEs are also able to learn product innovations and technologies during these promotional events. The NC's effectiveness (**Figure 23**) was measured in terms of its contribution to the improvement of MSMEs management capability and networking. It was noted that MSMEs, after availing services of NC, were able to expand their network and business contacts which provided potential business opportunities. NCs were also perceived to widen networks and opened opportunities to link with government and agencies and private institutions. This would imply effectiveness of referrals and information dissemination business/investment potential. The respondents also reported improvement in the technical and management processes of MSMEs.

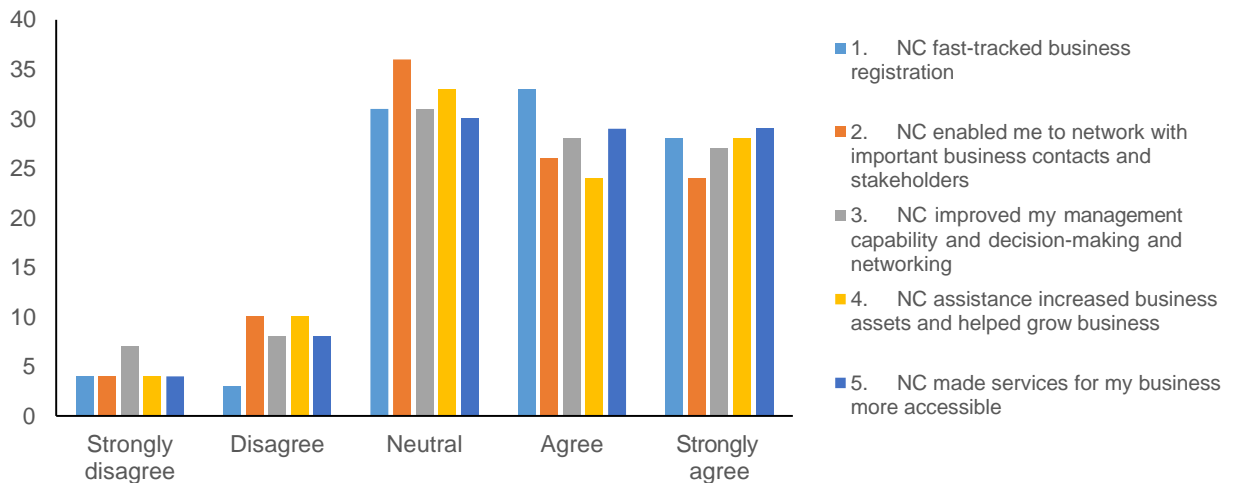


Figure 23. Perceived effectiveness of the Negosyo Center

2c.2 Efficiency

Efficiency of NC operations and services was measured in terms of the time allocation and documents requirements in registering the business. Respondents indicated that they have experienced faster and more informed process in complying to mandatory requirements. The clients are informed of the necessary requirements in securing business name registration. They are also informed of the other requirements needed for business registration. During inquiry or walk-in application, clients can be given orientation on the requirements needed for business name registration. Clients can also be given initial information regarding possible conflict (e.g., duplication or business name already existing) on the proposed business name. In addition, respondents emphasized on the reduce cost due to knowledge acquired from seeking services of NCs (**Figure 24**).

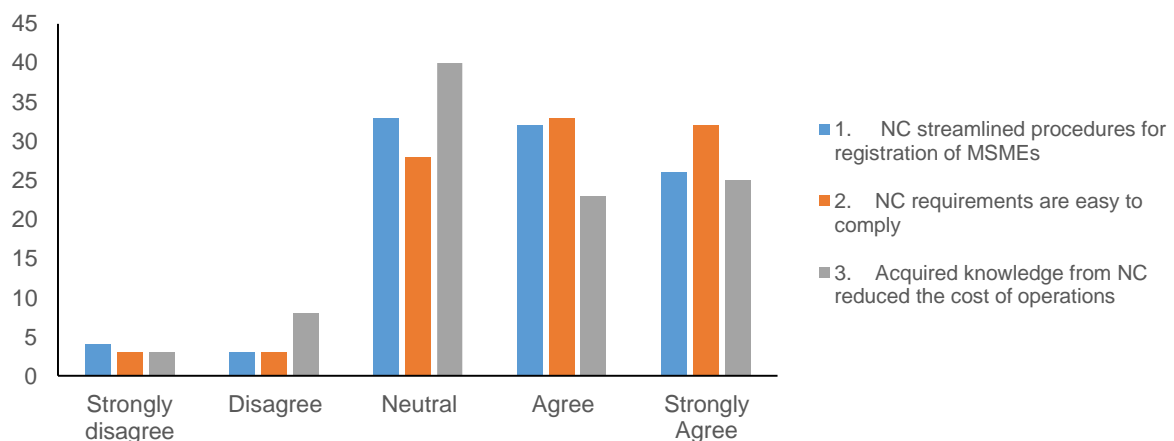


Figure 24. Perceived efficiency of the Negosyo Center

Further, NC trainings were also perceived as efficient (**Table 17**). In general, respondents reported that trainings provided were able to improve business processes such that business registration was hastened (64%); shortened the process to operate a business (50%) and promote efficiency in management (58%). Production costs were lowered (40%), improvement in quality of products and services was achieved (58%) and lower costs of production (40%).

Marketing improvement was also observed through improved strategies and increased in number of potential markets.

Table 17. Perception on the Training Efficiency of *Negosyo Center*

| Perception | Number reporting | Percent (%) |
|---|------------------|-------------|
| Hasten/ease the process of business registration. | 58 | 64 |
| Lower cost of production | 35 | 39 |
| Shorter process to operate a business | 45 | 50 |
| Improved quality of products and/or services | 52 | 58 |
| Improved efficiency in management operations | 54 | 60 |
| Improved marketing strategies | 52 | 58 |
| Increased number of potential markets. | 42 | 47 |

2c.3. Sustainability

The sustainability of NC is subject to several factors which include budget or funding, human resources, and political and institutional influences.

The operation of the NC is still considered under the locally funded projects of DTI; hence, the budget allocation shares with other projects of DTI. It is important that NCs budget be institutionalized under GAA. Budget is also related to the second concern on NC sustainability, that is availability of adequate number of staff or personnel to manage and man the NCs. It was recognized that the business counselors are important in the proper operation of NCs. In fact, DTI invest in the capacity building of BCs to ensure that services will be appropriately provided and MSMEs will be guided. The BCs undergo series of trainings with modules designed to equip them of skills and knowledge to provide the necessary assistance requested by MSMEs.

Another important consideration on personnel is the availability of budget to sustain the employment/engagement of the BCs. It was emphasized that some BCs provide support to several NCs since the program has limited budget allocation to provide one BC for every NC. Also, the tenurial status of BCs, that is job order basis, provide no security in terms of employment. This resulted to fast turnover of BCs. In some instances, the BCs are pirated by the base-agency where NC is located. To address, there is an ongoing initiative to provide incentives to BCs through contract of service wherein other mandatory benefits can be received such as leave credits, social security, *Pag-ibig* and PhilHealth. Continuous capacity development is also recommended to improve skills and knowledge.

On political and institutional influences, since majority of the NCs are LGU-based, the change in political administration can also post issues to sustainability of NCs. Hence, memorandum of agreement (MOA) is forged between DTI and LGU prior to the establishment of NC. In some areas, LGU Resolution is also enacted/passed to ensure that the NCs are adopted and that local executive understand the responsibilities as a base or collaborating agency. As a strategy, Provincial or the Regional Coordinators reorient the LGUs on what is *Negosyo Center* every time there is change in local political administration.

There is also current move in crafting the National Sustainability Plan for *Negosyo Center* which will stipulate the strategies on how the center will be sustained and the targets to sustain its achievements/accomplishments. The Plan was initially discussed in November 2019.

Further, the sustainability of a program is also dependent on the support of MSME clients.

Respondents were asked on their willingness to avail again services of NC, of which 88% positive response on willingness. Eighty-seven percent of the respondents are also recommending the services of NC to other clients (**Table 18**).

Table 18. Willingness to Avail and Recommend NC to Other Clients

| Item | Number reporting | Percent (%) |
|----------------------|------------------|-------------|
| Will avail again | 79 | 88 |
| Will not avail again | 11 | 12 |
| Will recommend | 78 | 87 |
| Will not recommend | 12 | 13 |

2d. Shared Service Facilities (SSF)

Cooperator's perception of the relevance, effectiveness, efficiency, and sustainability of the SSF is reported in **Table 19** and discussed in this section.

Table 19. Perception of SSF Relevance, Effectiveness, Efficiency, and Sustainability

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|--|-------------------|----------|---------|-------|----------------|
| % Reporting | | | | | |
| A. Relevance | | | | | |
| SSF can help MSMEs in improving business operations and address current problems through provision of service facilities | 0 | 0 | 9.33 | 21.33 | 69.33 |
| SSF enabled me to improve my management capability | 0 | 0 | 13.33 | 37.33 | 49.33 |
| SSF is relevant to my business | 0 | 0 | 12.00 | 29.33 | 58.67 |
| SSF made me competitive | 0 | 0 | 16.00 | 25.33 | 58.67 |
| B. Effectiveness | | | | | |
| SSF improved my management capability and the technical capability of my employees | 0 | 0 | 14.67 | 36.00 | 49.33 |
| The assistance provided by SSF helped MSMEs to grow their business | 0 | 0 | 9.33 | 24.00 | 66.67 |
| SSF standardized and improved the quality of MSME products | 0 | 0 | 8.00 | 26.67 | 65.33 |
| C. Efficiency | | | | | |
| SSF enabled me to network with important business contacts and stakeholders | 0 | 1.33 | 17.33 | 36.00 | 45.33 |
| The requirements of the program are easy to comply | 0 | 2.67 | 14.67 | 36.00 | 46.67 |
| D. Sustainability | | | | | |
| I will promote SSF and continuously encourage MSMEs to use the SSF | 0 | 0 | 5.33 | 28.00 | 66.67 |
| The program is being monitored by DTI regularly | 0 | 2.67 | 14.67 | 25.33 | 57.33 |

2d.1. Relevance

The project implementers perceived that the project is very relevant considering that 99.5 percent of business enterprises in the country are MSMEs and one of the identified challenges

is the lack of access to better technology/innovation. The SSF project provides the venue to address their needs in order to improve their production operation and improve their productivity. There are many testimonials proving that the project is able to help the MSMEs. In Cebu, for instance, the manager of the multipurpose cooperative producing processed dairy claims that the entity increased its production of processed milk by 10 to 15 percent and is able to supply milk regularly to its clients in the city. In Nueva Ecija, the cooperator who engages in production of clay pots claims to be benefiting from the project as major producer and supplier of pots in his municipality because of the gardening craze resulting from the pandemic. In Marikina, the SSF project managed by the Philippine Footwear Federations, Inc is able to revitalize the footwear industry in Marikina by enabling shoe manufacturers access to technology and machinery that introduce efficiency in selected stages in shoe production such as automated leather stitching and laser-aided engraving, among others. In Davao del Sur, the manager of a cooperative producing processed peanuts claims that its members are benefiting from the project as workers in the processing plant and as suppliers of raw peanuts.

On the part of the surveyed respondents, majority strongly agree that SSF can help MSMEs in improving business operations and address current problems through the provision of SSF; it is relevant to their business, and it made them to be competitive as earlier shown in **Table 19**.

2d.2. Effectiveness

In terms of achieving its objectives, the implementers believe that the project is effective (Table 18). However, it cannot be attributed to SSF alone as there are other programs implemented simultaneously targeting improved MSME operations. For instance, DOST's SET-UP project and DA's Philippine Center for Postharvest Development and Mechanization also provide grants to MSMEs for equipment purchase.

The project has been able to help the input suppliers particularly farmers who have been given the opportunity to provide the needed materials to the Cooperators such as those in Mindanao and Cebu. On the part of cooperator-respondents, the project enabled them to improve their management capability and the technical capability of their employees (Table 18). It also helped other MSMEs to improve and expand their business and it was able to standardize and improve the quality of their products.

2d.3. Efficiency

The project is utilizing the government bidding and procurement process and with this scheme, getting the best quality at least cost for every project is assured. However, the quality is sometimes an issue in bidding and procurement as there had been instances wherein the equipment delivered were substandard or did not match with the production capacity, process and specification needs of the cooperator.

One implementer mentioned that despite the budget cut and delay in fund release, their office made necessary adjustments in order to pursue their planned activities. On the part of cooperators, their participation in the project enabled them to network with important business contacts and other stakeholders.

2d.4. Sustainability

The project has sustained financial support from Congress since 2013. Understandably, the 2020 SSF budget was cut due to the pandemic. The Php 100M Capital Outlay fund for 2020 was released by the DBM, upon approval by the President, only on October 28, 2020. As of December 31, 2020, the amount of Php 69.14M was utilized. The 2020 Appropriations were extended and shall be available for release, obligation and disbursement until June 30, 2021

as provided for under RA No. 11519 (An Act Extending the Availability of Appropriations under Republic Act No. 11494, Otherwise Known as the “*Bayanihan* to Recover as One Act”). With this, the amount of Php 30.86M or 31 percent of the total CO allocation for 2020 is still available until year end. For FY 2021, the Php 500M was released to the DTI Regional Offices, while the Php 45M will be released by the DBM on a later date.

On the other hand, the cooperators interviewed would like the project to continue and disclosed that they will promote SSF and encourage MSMEs in their locality to use the service facilities.

2e. One Town One Product (OTOP)

Cooperator’s perception of the relevance, effectiveness, efficiency, and sustainability of the OTOP is reported in **Table 20** and discussed in this section

Table 20. Perception of NC Relevance, Effectiveness, Efficiency, and Sustainability

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|---|-------------------|----------|---------|-------|----------------|
| % Reporting | | | | | |
| A. Relevance | | | | | |
| OTOP can help MSMEs in improving business operations and address current problems through appropriate science solutions | 0 | 1.11 | 14.44 | 31.11 | 53.33 |
| OTOP enabled me to improve my management capability and technical capability of my staff | 1.11 | 1.11 | 24.44 | 25.56 | 47.78 |
| OTOP enabled me to improve my marketing ability | 2.22 | 0 | 34.44 | 34.44 | 51.11 |
| OTOP is relevant to my business | 0 | 0 | 12.22 | 24.44 | 63.33 |
| OTOP made me competitive | 0 | 0 | 14.44 | 25.56 | 60.00 |
| B. Effectiveness | | | | | |
| The assistance provided by OTOP helped my business grow | 0 | 1.11 | 15.56 | 32.22 | 51.11 |
| OTOP standardized and improved the quality of my products OTOP enabled me to effectively market my product | 0 | 1.11 | 11.11 | 34.44 | 53.33 |
| C. Efficiency | | | | | |
| OTOP enabled me to network with important business contacts and stakeholders | 1.11 | 0 | 14.44 | 37.78 | 46.67 |
| The requirements of the program are easy to comply | 1.11 | 1.11 | 24.44 | 35.56 | 37.78 |
| D. Sustainability | | | | | |
| I will continuously apply the strategies/innovations introduced by OTOP to upgrade my business | 0 | 0 | 10.00 | 32.22 | 57.78 |
| The program is being monitored by DTI regularly | 1.11 | 2.22 | 22.22 | 30.00 | 44.44 |
| I will recommend the program to other MSMEs | 0 | 0 | 11.11 | 17.78 | 71.11 |

2e.1. Relevance

Implementers in regions and provinces perceived that OTOP Next Gen is relevant since it is able to address the needs of the MSMEs. These needs include development of new products, formulation of new product design, product labeling, product packaging and product marketing.

For the PMO, OTOP Next Gen is relevant as it largely offers free assistance in Product Development, namely in areas such as, but not limited to, Design Services and Intervention, Packaging and Labeling, FDA, Nutrifacts and Testing Assistance. The TPOs are trained appropriately in order to be of support to MSMEs when it comes to understanding intellectual property and regulations in food and safety.

Various technology procedures, materials, and processing technologies are disseminated in the form of free Technology-Updating seminars. The development of the human aspect of OTOP is also encouraged by the OTOP Next Gen program. MSMEs' entrepreneurial and management skills are further enhanced through Capacity Building training programs.

The project is able to level up the MSMEs in terms of improving their ability or skill in promoting/marketing their products. Their success is ensured via product promotion through multimedia campaigns, trade fairs, and development of marketing collaterals.

To more than half of the surveyed OTOPpreneurs (53%), OTOP Next Gen can help MSMEs improve their business operation and address current concerns on product improvement. It enabled them to improve their management skills and the technical capability of their staff through the trainings they went through. It made them competitive, it improved their market ability (**Table 20**).

For OTOP Hubs, the PMO and implementers perceive them as relevant since they provide venues for products that are in the pipeline of product development and improvement while already deemed acceptable in terms of quality and design. The Hub strikes a balance between ensuring utmost quality and compliance to standards (including FDA permits) while providing an incubation area for start-ups, cooperatives, youth entrepreneurs and the like who are still processing the needed certifications, permits, and licenses.

2.e.2. Effectiveness

To the PMO and implementers, OTOP Next Gen is effective in levelling up the local products made by OTOPpreneurs which is OTOP Next Gen's focal purpose. The strategies like the ACT sessions in Phase 1 that offer one-on-one consultations has been providing various touch points between the OTOPpreneurs and a pool of experts and designers. The program was able to enjoin experts from the Department of Science and Technology, Department of Agriculture and TESDA, among others, to participate as 'consultants' or evaluators. Availability of experts is a challenge though. Implementers in the regions pointed to the need of coming up with an experts' pool composed of highly trained individuals which can be tapped to provide assistance especially in areas far from Metro Manila and major urban centers where there is high concentration of experts.

The prototypes developed during the ACT sessions are further improved on Phase 2. Efforts are concentrated on various forms of product development such as such as re-designing a product's packaging and labeling, increasing a product's shelf life, experimenting with new materials or design or use of new packaging. Marked product improvement is expected during this period. To more than half of the surveyed OTOPpreneurs (53%), their participation in the program enabled them to standardize and improve their product and enabled them effectively to market them.

The trade fairs participated in by the OTOPreneur is deemed effective in providing venue to their improved products to get recognition and an indication that their business will eventually grow and expand. Their presence in the market is an indicator that they have established themselves as a manufacturer. Attendance to trade fairs give them opportunities to present their products to prospective buyers, observe and learn from other entrepreneurs how the products on display can find their way in mainstream market and above all, an opportunity to establish a network of prospective buyers which was also validated by about half surveyed respondents (47%).

The actual accomplishments consistently meet the annual targets, oftentimes surpassing them. This indicates that OTOP Next Gen's mechanisms/strategies/processes are effective in achieving positive results desired by the program

With respect to OTOP Hub, the PMO and implementers noted that MSMEs who have met the requirements needed to attract the market targeted by Hubs have generated revenue by having their products sold in an established physical store. The scope of their products' reach is broadened with its attachment to the OTOP name, supporting their business in gaining a reputable reputation and better brand recognition to the general public.

2e.3. Efficiency

To OTOP PMO, the resources provided for this program has been enough to generate results above and beyond what is expected. However, if OTOP is to be institutionalized by the government, more appropriate funding may be needed in order to further surpass previous accomplishments.

The four major program phases have definitely been instrumental in ensuring objectives are met within the time frame given. The periodic nature of the MSME Development Track imbibes a sense of progress and eschews tangible evidences of growth, displaying its capability in delivering and measuring efficiency.

With regards to OTOP Hub, this component of the program has been successful as a distribution platform which affirms the effectiveness of OTOP Next Gen's initiatives in product development. The financing is appropriate but to be able to adapt to the new normal, a portion of the budget is currently being allocated to the creation of virtual hubs instead of focusing on purely physical hubs.

2e.4. Sustainability

The program has been receiving government allocation and has been generating investments through the years are indications of its sustainability. To PMO and implementers, the interventions, and strategies to implement the program are deemed sufficient to ensure sustainability beyond program implementation. A well-thought-out communication strategy within the OTOP team assists in ensuring everyone is in alignment with a project's objective, helping the team work together with a singular, clear goal in mind. The joint collaboration with various stakeholders such as LGUs helps in the sustainability of the project.

The surveyed OTOPreneurs indicated that they will continuously apply the strategies and innovations introduced by OTOP and will recommend participation to the program to other MSMEs.

2f. Small Enterprise Technology Upgrading Program (SETUP)

Cooperator's perception of the relevance, effectiveness, efficiency, and sustainability of SETUP is reported in **Table 21** and discussed in this section.

Table 21. Perception of SETUP relevance, effectiveness, efficiency, and sustainability

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|--|-------------------|----------|---------|-------|----------------|
| % Reporting | | | | | |
| A. Relevance | | | | | |
| SETUP can help MSMEs in improving business operations and address current problems through appropriate science solutions | 0 | 0 | 8.05 | 27.59 | 64.37 |
| SETUP enabled me to improve my management capability | 0 | 0 | 14.94 | 31.03 | 54.02 |
| SETUP is relevant to my business | 0 | 1.15 | 6.90 | 25.59 | 66.67 |
| SETUP made me competitive | 0 | 0 | 9.20 | 31.03 | 59.77 |
| B. Efficiency | | | | | |
| SETUP helped me be productive even during the pandemic | 2.30 | 8.05 | 20.69 | 29.89 | 39.08 |
| SETUP enabled me to network with important business contacts and stakeholders | 1.15 | 5.75 | 28.74 | 29.89 | 34.48 |
| The requirements of the program are easy to comply | 0 | 6.90 | 27.59 | 29.89 | 35.63 |
| C. Effectiveness | | | | | |
| The assistance provided by SETUP helped my business grow and increased my income | 0 | 0 | 11.49 | 29.89 | 58.62 |
| SETUP standardized and improved the quality of my products | 0 | 0 | 4.60 | 32.18 | 63.22 |
| SETUP increased my production capacity | 0 | 0 | 8.05 | 32.18 | 59.77 |
| SETUP generated more employment | 1.15 | 2.30 | 20.69 | 29.89 | 45.98 |
| SETUP enabled me to penetrate new markets | 0 | 0 | 26.44 | 28.74 | 44.83 |
| SETUP enabled me to develop new products and services | 0 | 1.15 | 16.09 | 35.63 | 47.13 |
| D. Sustainability | | | | | |
| I will continuously apply the strategies/innovations introduced by SETUP to upgrade my business | 0 | 1.15 | 10.34 | 32.18 | 56.32 |
| The program is being monitored by DOST regularly | 0 | 0 | 10.34 | 33.33 | 56.32 |
| I will recommend the program to other MSMEs | 0 | 0 | 6.90 | 24.14 | 68.97 |
| SETUP program is flexible and introduces innovation through time | 0 | 0 | 11.49 | 36.78 | 51.72 |

2f.1. Relevance

It was learned from the KIIs that the SETUP implementers believe the program is quite relevant as S&T is a key driver business growth. The interventions being provided by the program are intended to increase the productivity and competitiveness especially of MSMEs. The relevance of the program was confirmed by the survey results where majority of survey respondents (**Table 21**) stated that SETUP is relevant to their business (67%); it can help

them improve business operations and address current problems (64%); made them competitive (59%) and enabled them improve their management capability (54%).

2f.2. Effectiveness

Majority of the survey respondents believe that SETUP is effective as it helped them standardize and improve the quality of their products (63%); increase their production capacity (60%); help the business grow and increase their income (59%) (**Table 21**). Nearly 50 percent believe that SETUP enabled them to develop new products and services, generate more employment and penetrate new markets.

On the other hand, COA 2018 findings gave a different view of SETUP citing issues related to premature termination of contracts with firm beneficiaries resulting from weak market linkage, inappropriate equipment/technology acquisition, low sales, among others, which ultimately led to non-payment of their obligation to the government (COA, 2018).

2f.3. Efficiency

The program implementors acknowledged that limited operational and seed funds for technology acquisition force SETUP implementers to prioritize MSMEs with greater need and to identify the most feasible intervention that will result in higher expected outputs and impact. The program is also still finding ways to cope in the new normal, for instance by adopting virtual technology needs assessment. The implementers mentioned the problem in complying with the required documents and refund payment as constraints in the efficiency of the program.

The program beneficiaries provided areas for improvement to enhance the efficiency of the program. This includes further streamlining the documentary requirements, simplify the process of collection of refunds and enhance the program's M&E system.

2f.4. Sustainability

According to KII implementors, the national government recognizes the importance of SETUP in the development of MSMEs through technology upgrading thus sustained funding can be expected. The MSMEs also have distinct need for the services that only SETUP can provide

3. On effects of the Covid-19 pandemic to MSMEs

The vulnerability assessment of MSMEDP was conceived and crafted prior to the onslaught of the current pandemic. As a result, the research design did not include an investigation of how the pandemic is affecting the various MSMEDP programs included in the assessment and their beneficiaries. This would be a major flaw in the assessment as the pandemic is proving to be the most important challenge besetting the programs and the programs' clients. To address this, an assessment of how the pandemic was impacting on the various programs and how the programs were responding to the crisis was included in the study.

The clients of MSMEDP and its component programs are mostly micro and small enterprises with extremely limited capacity to weather a crisis as serious as the one associated with the pandemic. The pandemic has been impacting adversely on both demand and supply which squeezes small businesses to their limits. On the demand side, drop in employment and increasing underemployment considerably dampen product demand. On the supply side, physical restriction in the movement of people and goods is disrupting the supply chains. All

small businesses are vulnerable to this kind of shock thus, means to make them more resilient should be of foremost concern if the whole MSMEDP is to succeed.

3a. Kapatid Mentor ME (KMME)

The program launched a digital KMME called the Kapatid Mentor Me Online Project. This is a practical delivery mechanism for the same mentorship modules, with an emphasis on how to survive in spite of the setbacks the MSMEs are experiencing. Utilizing digital technology via Zoom, the modules were transformed for online learning, with an expanded panel of evaluators for the business improvement plans to include representatives from banks, online market platforms and other business support organizations. The program addresses the urgent need for the continued access of mentees to Money, Market and Mentorship (or the 3Ms) without compromising the safety of the stakeholders involved and the overall effectiveness of the comprehensive KMME Programs.

The KMME-Online has 4 objectives (1) to provide a platform for existing and aspiring entrepreneurs to learn and be inspired from the entrepreneurial journey of the mentors online;(2) to be the channel for capacity building on an online platform using the KMME modules and canned lectures via webinar; (3) to provide an avenue for business mentorship of wait listed MSMEs across the regions and enhance their resiliency through crisis; and (4) to inspire the MSMEs to adapt their business strategies, e.g., rebuild/repurpose/retrofit, in responding to the challenges of the “new normal” business environment.

The applicants are screened using the same qualifications as the face-to-face modules. This time, however, mentees must have the tools to enable them to communicate online, such as a laptop/desktop or mobile phone, a stable internet connectivity, a headset or earphones, and a personal Facebook account where all announcements will be posted.

Limitations encountered included internet connectivity issues, power interruption, topics are too compressed, although many said that they prefer online since this will not take them away from their businesses. In terms of presentation, new presentation format and videos were prepared by some mentors, which help the mentees because many of them are visual learners; technical orientations were conducted to enable the implementors (technical directors and facilitators) to adjust to the virtual learning platform.

Previously, selection of mentees was based on priority industry, but due to pandemic, any industry is welcome to join the program. The program has the same modules, but coaches are added for the BIP. Also, mentors added strategies on how to adopt to the challenges during pandemic. According to KMME coordinators, many MSMEs have closed down during the lockdown, particularly those falling under “non-essential” category, while some had to reduce the number of their employees to cope and others shifted to manufacturing masks or to essential industries.

Table 22 provides some details on the negative and positive effect of the pandemic on the KMME beneficiary respondents. Most are mostly negative, however, a few positive effects are noted, such as generating more sales in the agriculture/marine and aquatic industries, expansion of new businesses in the form of new markets in the food and food processing industry, increase demand for pots due to plant hobbyists and increase demand for food packaging materials due to increased food deliveries.

Table 22. Negative and positive effect of the pandemic on the KMME beneficiary respondents

| Type of Industry | Negative Effect | Positive Effect |
|-----------------------------------|---|---|
| Agricultural/Marine/Aquaculture | <ul style="list-style-type: none"> • Business is slow • Closure • DOST facility grant put on hold • Travel restrictions led to inaccessibility of raw materials and delivery of goods | <ul style="list-style-type: none"> • Generated more sales |
| Food and Food Processing | <ul style="list-style-type: none"> • Bake or process only when there are orders Unable to promote products • Closures • No more trade fairs | <ul style="list-style-type: none"> • Expanded to new markets • Opened 2 new branches |
| Catering Services | <ul style="list-style-type: none"> • Very few clients for catering closure | <ul style="list-style-type: none"> • |
| Furnitures, gifts and handicrafts | <ul style="list-style-type: none"> • No demand, no buyers • Logistics is a big problem – shipping and courier services for inputs | <ul style="list-style-type: none"> • Increase demand of gardening pots • Innovations resulted to • increase in sales |
| Metals & Engineering | <ul style="list-style-type: none"> • Closures | |
| Personal Hygiene | <ul style="list-style-type: none"> • very few customers in barber shops no events resulted to less demand in parlor services | |
| Weaving | <ul style="list-style-type: none"> • Less demand | |
| Wine making | <ul style="list-style-type: none"> • Closures | |
| Retailing | <ul style="list-style-type: none"> • Less customers | <ul style="list-style-type: none"> • Increase demand in food packaging materials |

On the effect of the pandemic on the monthly revenue of the MSMEs, KMME beneficiary respondents reported an overall average decrease of 57 percent (**Table 23**). The values “during pandemic” refers to value of sales one month before the survey, where survey period covering November 2020 to January 2021. Many of the MSMEs within each type of industry also closed down, hopefully temporarily, including the wine-making industry. Also hit hard by the lockdowns are the catering services, and the metals and engineering (referring to junk shops and motor repair shops). The food and food processing industry shrunk by 38 percent despite the common notion that this is the least hit by the pandemic. This is because many MSMEs were not able to cope due to less financial capital and mobility issues, among others. It is only the agriculture/marine/aquaculture industry which grew by 37 percent and this is because they were able to continue to supply their goods and are also given unrestricted permission to pass through areas.

Table 23. Effect of Pandemic on the Monthly Revenue of MSME KMME Beneficiary Respondents

| Type of Industry | During Pandemic (Php) | Before Pandemic (Php) | Difference | % Change |
|---------------------------------|-----------------------|-----------------------|--------------|----------|
| Agricultural/Marine/Aquaculture | 69,569.33 | 50,956.83 | 18,612.49 | 37% |
| Food and Food Processing | 120,201.21 | 192,360.23 | (72,159.02) | -38% |
| Catering Services | 66,666.67 | 291,666.67 | (225,000.00) | -77% |
| Furnitures & Handicrafts | 71,028.25 | 133,839.58 | (62,811.33) | -47% |
| Metals & Engineering | 25,000.00 | 97,500.00 | (72,500.00) | -74% |
| Personal Hygiene | 42,166.67 | 69,333.33 | (27,166.67) | -39% |

| Type of Industry | During Pandemic (Php) | Before Pandemic (Php) | Difference | % Change |
|------------------|-----------------------|-----------------------|--------------|----------|
| Weaving | 200,000.00 | 600,000.00 | (400,000.00) | -67% |
| Wine making | - | 30,000.00 | (30,000.00) | -100% |
| Retailing | 225,000.00 | 240,000.00 | (15,000.00) | -6% |
| Others | 23,500.00 | 54,285.71 | (30,785.71) | -57% |
| Average | 73,328.15 | 131,442.59 | (58,114.44) | -44% |

Does not include: 1 enterprise with Php 3M sales

The respondents shared some of the lessons from the lockdown, hopefully to be learned and help them cope in the new normal (**Table 24**). These include being always ready and resilient, having savings or emergency funds, the need to adjust and cope, and being innovative, creative and have new ideas.

Table 24. Lessons Learned from the Lockdown

| Lesson | Number reporting | Percent (%) |
|--|------------------|-------------|
| Always be ready and resilient | 18 | 20 |
| Must have savings or emergency funds for contingency | 16 | 18 |
| Need to adjust and cope | 9 | 10 |
| Be creative/innovative/new ideas | 11 | 12 |
| Need to have contingency plan | 8 | 9 |

3b. Pondo sa Pagbabago at Pag-asenso (P3)

In general, MSMEs under all types of industry experienced a drastic decrease in monthly revenues during the pandemic by 44 percent (**Table 25**). In fact, 16 MSMEs reported closing down during the lockdown, especially those under the construction and manufacturing industries. Even those under the agriculture, aquaculture, and fishing MSMEs reported a 57 percent decrease in revenues due to decreased demand and challenges related to transportation and other logistics.

Table 25. Effect of Pandemic on the Monthly Revenue of MSME P3 Beneficiary Respondents

| Type of Industry | Before Lockdown (Php) | During Lockdown (Php) | Difference | % Change |
|--|-----------------------|-----------------------|------------|----------|
| Accommodation and food services | 117,463 | 30,647 | (86,815) | -74 |
| Activities of households as employers | 31,000 | 14,875 | (16,125) | -52 |
| Agriculture, aquaculture and fishing | 21,539 | 9,280 | (12,259) | -57 |
| Construction | 100,050 | | (100,050) | -100 |
| Manufacturing | 65,000 | | (65,000) | -100 |
| Other service activities | 94,690 | 20,083 | (74,607) | -79 |
| Transportation and storage | 400,000 | 150,000 | (250,000) | -63 |
| Wholesale and retail, repair of motor vehicles | 250,000 | 175,000 | (75,000) | -30 |
| Average | 131,442 | 73,328 | (58,114) | -44% |

According to the beneficiaries, they learned the importance of savings or emergency funds (50%), the need to be always ready and resilient (21%) by being pro-active, explore new

markets, take risk; the need to diversify, look for alternatives and be resourceful (7%) and the need to have a contingency or strategic plan (4%). Others indicated to have more faith, patience and be positive, avail government aid programs and trainings, practice cost-cutting measures, and wait for opportunities to come (**Table 26**).

Table 26. Lessons Learned from the Lockdown

| Lessons Learned | Number reporting | Percent (%) |
|---|------------------|-------------|
| Must have savings/emergency fund | 50 | 50 |
| Follow Health and Safety Protocols | 10 | 10 |
| Always be ready/Be resilient | 21 | 23 |
| Need for contingency plan/strategic plan | 4 | 4 |
| Be resourceful/Look for alternative/diversify | 7 | 7 |
| Have faith, patience and be positive | 4 | 4 |
| Avail Government Aid Programs and Trainings | 1 | 1 |
| importance of physical and mental health | 2 | 2 |
| Not applicable | 2 | 2 |
| Practice cost-cutting measures | 1 | 1 |
| There are other opportunities to come | 1 | 1 |

3c. Negosyo Center (NC)

During the pandemic, many of the *Negosyo Centers* experienced decreased in sales and income (21%) and stopped their operations (16%). Services offered were limited. Among the key MSMEs highly affected were under the service sector. The key informants reported that many restaurants and personal care businesses such as salons, barbershops, spa and gyms have shut down their operations. Tourism sector was greatly affected which included MSMEs operating hotels, inns and resorts, transportation services, and restaurants. On the other hand, food business and agriculture have flourished especially those that provided delivery services. In agriculture, the increased in demand for plants due to the “plantito/plantita” craze opened opportunities for MSMEs on this sector to grow.

To support the business operation of MSMEs, NCs provided seminars and trainings to assist the MSMEs to recalibrate and adjust operations of their businesses to adopt to the minimum safety protocols due to Covid-19. The objective is to assist the MSMEs to shift or pivot their operations with consideration of the risks and conditions in the new normal. The capacity building activities were done online through webinars. Among the selected topics included marketing strategies using online platforms, promotion of financial support that can be availed, and introduction of business opportunities. Online platforms and digital marketing offer good opportunity to expand market of MSMEs. A study conducted by Rakuten in 2020 indicated that a great number of consumers shifted to online platforms in buying basic needs such as food and medicines and purchasing other items such as cosmetics, clothing, and other personal hygiene products among others. In providing immediate response to inquiries and information needs of MSMEs, BCs answer through SMS or text messages. Social media accounts such as Facebook is also useful and provided cost effective means of communication and exchange of information.

3d. Shared Service Facilities (SSF)

The pandemic hampered the project’s monitoring activities that require face-to-face meetings. Scheduled summits/conferences/trainings were cancelled. The implementation of the Php 500M SSF capital outlay allocated in the 2020 budget of the DTI to fund the procurement of new facilities was discontinued in order to contribute to the response measures.

Many SSFs remained operational at the onset of the pandemic. The SSF FabLabs organized themselves on March 20, 2020 in coordination with its global partners in fabrication. They fabricated the PPEs, face masks and aerosol boxes which were barely available then. Face masks and alcohols were likewise produced by many SSFs nationwide. The DTI has been supporting them particularly the regional offices, along with local government units (LGUs), in procuring the needed materials.

As the situation worsened and quarantine measures were put in place, the challenges caused by the pandemic may have left most Cooperators limited capacity to produce given low demand for their products and the financial struggles they face with no income coming in. Reduction in their income is expected (**Table 27**). Based on the survey, there were more Cooperators (45%) whose monthly income is less than Php 10,000 during the pandemic compared to 29 percent before the pandemic. Those in the income range of Php10,000-50,000 similarly had a decrease in monthly revenue from 35 to 27 percent.

Table 27. Revenue per Month Before and During the Pandemic

| Revenue | Before | | During | |
|-------------------|--------|-------------|--------|-------------|
| | Number | Percent (%) | Number | Percent (%) |
| less than 10,000 | 22 | 29.3 | 34 | 45.3 |
| 10,000 - 50,000 | 27 | 36.0 | 20 | 26.7 |
| 50,001 - 100,000 | 8 | 10.7 | 8 | 10.7 |
| 100,001 - 500,000 | 10 | 13.3 | 7 | 9.3 |
| more than 500,000 | 8 | 10.7 | 6 | 8.0 |

The lessons learned by SSF cooperators from this situation are summarized in **Table 28**. The major lesson is the need to always be ready and resilient. They also realized that they should be resourceful, save up for emergency fund, follow health and safety protocols, be flexible, learn to adjust and cope up, have a contingency plan, learn online selling, have patience and be positive, be creative/innovative, diversify and stay healthy.

To cope up with the challenges, they do online marketing or find other means of income/venture into other business. Others simply keep their faith, assess their priorities, continue operating, implement cost-cutting measures, seek financial assistance, be considerate and lend a helping hand. Most of them are highly educated – 57 percent are college graduates, 12 percent have master’s degrees and 9 percent have doctoral education- and they seemed hopeful, think clearly and positively, are creative, resilient and are able to respond to the challenge.

Table 28. Pandemic Resilience (SSF)

| Perception | Number reporting | Percent (%) |
|---|------------------|-------------|
| How are you affected by the pandemic? | | |
| Decreased sales/Slowed business/Limited Customers | 26 | 34.7 |
| badly/hugely affected | 18 | 24.0 |
| Travel restrictions/Delivery difficulties/Less Buyers | 11 | 14.7 |
| Stopped Operations | 10 | 13.3 |
| Financial Struggle/No income | 9 | 12.0 |
| Continued Operations | 2 | 2.7 |
| Availed assistance from Government Agencies | 1 | 1.3 |
| Be resourceful | 1 | 1.3 |
| Cost-cutting measures | 1 | 1.3 |
| Improved sales/Increased Production | 1 | 1.3 |

| Perception | Number reporting | Percent (%) |
|--|------------------|-------------|
| Limited supply of materials | 1 | 1.3 |
| Low Productivity | 1 | 1.3 |
| Members inactivity | 1 | 1.3 |
| Lessons learned from the situation | | |
| Always be ready/Be resilient | 21 | 28.0 |
| Be resourceful/Look for alternative | 9 | 12.0 |
| Follow Health and Safety Protocols | 9 | 12.0 |
| Must have savings/emergency fund | 9 | 12.0 |
| Need for adjustments and coping up | 7 | 9.3 |
| Need for contingency plan/strategic plan | 5 | 6.7 |
| Digitalization/Online Selling | 4 | 5.3 |
| Have patience and be positive | 4 | 5.3 |
| Be more creative/innovative | 2 | 2.7 |
| Diversify | 2 | 2.7 |
| importance of physical and mental health | 2 | 2.7 |
| Should have networks (customer care and suki) | 2 | 2.7 |
| Sustainability of raw materials | 2 | 2.7 |
| Be a risk taker/Explore new markets | 1 | 1.3 |
| Be competitive | 1 | 1.3 |
| Be considerate. Care for employees. | 1 | 1.3 |
| There should be other income options | 1 | 1.3 |
| How did you cope up with the challenges brought by the pandemic? | | |
| Digitalization, Networking and Online Selling | 16 | 21.3 |
| Venture into other businesses/Find other income source/be resourceful and creative/diversify | 16 | 21.3 |
| Have faith | 6 | 8.0 |
| Acceptance/Adjustments | 4 | 5.3 |
| Financial assistance and savings | 4 | 5.3 |
| Promotions and marketing strategies | 4 | 5.3 |
| Assess the situation/Priorities | 3 | 4.0 |
| Continue operations/work | 3 | 4.0 |
| Implement cost-cutting measures | 3 | 4.0 |
| Follow Health and Safety Protocols | 3 | 4.0 |
| Be considerate and lend a helping hand | 2 | 2.7 |
| Change supplier (location wise) | 2 | 2.7 |
| Engaged in farming | 2 | 2.7 |
| Availed Government Aid Programs and Trainings | 1 | 1.3 |
| Being patient and focused | 1 | 1.3 |

3e. SETUP

At the firm level, the pandemic affected raw materials supply, production capacity, market access and repayment of iFund to DOST. The beneficiaries reported difficulties in securing raw materials and disruptions in the supply chains.

At the height of the pandemic, the volume of sales per month for all products declined (**Table 28**). In terms of monthly revenues, those earning less than Php 10,000 before the pandemic, doubled from 13 to 26 percent during pandemic; those earning between Php 10,001 to Php 100,000 increased by 30 percent. Those earning more than Php 100,000 to Php 500,000 before pandemic were reduced by half, while those earning more than Php500,000 were reduced by one third during pandemic.

Thirty percent of the survey respondents reported having been adversely affected in terms of decreased sales/slow business/limited customers (**Table 29**), while ten percent stopped operation. They learned a number of lessons such as: always be ready/be resilient, must have savings, diversify, among others. Their coping strategies include continuing operations, cost cutting measures, look for other alternatives and other income sources, as well as believing in themselves and the Higher Being.

Table 29. Pandemic Resilience (SETUP)

| Perception | Number reporting | Percent (%) |
|--|------------------|-------------|
| How are you affected by the pandemic? | | |
| Badly/hugely affected | 27 | 28.13 |
| Cost cutting measures | 1 | 1.04 |
| Decreased sales/Slowed business/Limited Customers | 28 | 29.17 |
| Financial Struggle/No income | 5 | 5.21 |
| Follow protocols | 1 | 1.04 |
| Improved sales | 1 | 1.04 |
| Limited supply of materials | 4 | 4.17 |
| Neutral | 9 | 9.38 |
| Open for new opportunities | 1 | 1.04 |
| Postponement of expansion | 1 | 1.04 |
| Reduced production | 5 | 5.21 |
| Stopped Operations | 10 | 10.42 |
| Travel restrictions/Delivery difficulties/Less Buyers | 3 | 3.13 |
| What lessons have you learned from the situation? | | |
| Always be ready/Be resilient | 12 | 13.48 |
| Be a risk taker/Explore new markets | 4 | 4.49 |
| Be more creative/innovative | 4 | 4.49 |
| Be resourceful/Look for alternative | 2 | 2.25 |
| Believe in self and higher being; Have faith | 5 | 5.62 |
| Change is inevitable; as well as loss in business | 2 | 2.25 |
| Contentment | 1 | 1.12 |
| Cost-cutting measures | 2 | 2.25 |
| Diversify | 5 | 5.62 |
| Do not depend/Don't give up on business | 1 | 1.12 |
| Follow protocols of safety | 6 | 6.74 |
| Government should do their job with help of the people | 2 | 2.25 |
| Have patience and be positive | 2 | 2.25 |
| importance of physical and mental health | 4 | 4.49 |
| Lockdown allow you to dominate local market | 1 | 1.12 |
| Must have savings/emergency fund | 13 | 14.61 |
| N/A | 9 | 10.11 |
| Need for adjustments and coping up | 5 | 5.62 |
| Need for contingency plan/strategic plan | 5 | 5.62 |
| Should have networks (customer care and suki) | 3 | 3.37 |
| There are other opportunities to come | 1 | 1.12 |
| How did you cope up with the challenges brought by the pandemic? | | |
| Acceptance | 1 | 1.15 |
| Adaptability to changes | 2 | 2.30 |
| Being creative/innovative/flexible | 1 | 1.15 |
| Being patient and focused | 3 | 3.45 |
| Being resourceful/Looking for alternatives | 6 | 6.90 |
| Believe in self and higher being | 9 | 10.34 |
| Continue operations/work | 12 | 13.79 |

| Perception | Number reporting | Percent (%) |
|--|------------------|-------------|
| Cost-cutting measures | 10 | 11.49 |
| Digitalization and Online Selling | 2 | 2.30 |
| Following protocols of safety | 4 | 4.60 |
| Hard to cope up/still struggling | 1 | 1.15 |
| N/A | 9 | 10.34 |
| Promotions and marketing strategies | 2 | 2.30 |
| Proper communication and availing of Government programs | 5 | 5.75 |
| Proper communication with customers (Networks) | 3 | 3.45 |
| Think positive | 6 | 6.90 |
| Trainings on how to adapt, skill and development | 2 | 2.30 |
| Venture into other businesses/Find other income source | 7 | 8.05 |
| Work adjustments (rotation) | 2 | 2.30 |

3f. OTOP

The pandemic led the PMO and provincial and regional offices to do things out of the ordinary. As mobility has become a problem, planned activities have to be adjusted. Physical trade fairs have been cancelled. Virtual trade fairs were conducted using PLDT platform – *Pasinaya* (1st virtual for OTOP) nationwide followed by PLDT *Kaasenso* (OTOP Virtual Trade Fairs) funded by PLDT and OTOP PMO.

OTOP Hub implementation was delayed in most areas due to budget cut. Most stores had to undergo temporary closure in compliance with government regulations during the extended community quarantine. Some have difficulty running their business in the early months of the pandemic because the store's location no longer attracts the same foot traffic as before. Procurement of products from other regions also became more difficult since supply chains, shipping and coordination were disrupted. These posed as challenges that were unforeseen when this component of the program was conceived. More and more hubs are now linked to virtual hubs for survival. By June 2020, most hubs have gradually reopened, but for them to adapt to the situation, the PMO launched the OTOP e-Hubs and Blended Hubs which act as virtual portals wherein consumers can gain access to OTOP products online. With this, the verifiable outputs were adjusted as discussed earlier.

Regional and Provincial offices are conducting webinars to introduce e-commerce/social media marketing (e.g., Pay Maya, Food Panda, Go Global, Go Online) to beneficiaries. Facebook on OTOP has been set up. Virtual trade fairs are being initiated. Trainings are done through webinars (packaging and labelling, marketing, better and effective negotiations, etc.). Webinars, however, are scheduled closely making MSMEs and DTI staff exhausted.

One third of the surveyed MSMEs reported that they were badly affected (32%). Decreases in sales and slow business were reported by 28 percent (Table 30). Some have stopped operation (11%). Others encountered difficulty in product delivery, financial struggles/no income, and limited supply of the needed materials. These are the ones who scaled up but then the pandemic came, and the product is not yet ready for the market as reported by the OTOP Focal person in Laguna.

The pandemic tested their resilience as they learned a lot from the crisis. They learned the importance of readiness (18%), to have savings and emergency fund (14%), to have a contingency plan/strategic plan (12%), to adjust and cope up, not to depend on others and not

to give up, to be risk takers, exploring new markets, diversifying, having patience, and being resourceful and creative.

Table 30. Pandemic Resilience (OTOP)

| Perception | Number reporting | Percent (%) |
|--|------------------|-------------|
| How are you affected by the pandemic? | | |
| Badly/hugely affected | 29 | 32.2 |
| Decreased sales/Slowed business/Limited Customers | 25 | 27.8 |
| Stopped Operations | 11 | 12.2 |
| Travel restrictions/Delivery difficulties/Less Buyers | 10 | 11.1 |
| Financial Struggle/No income | 5 | 5.6 |
| Improved sales | 4 | 4.4 |
| Limited supply of materials | 3 | 3.3 |
| Hard to transact business and in banks | 1 | 1.1 |
| Lessons learned from the situation | | |
| Always be ready/Be resilient | 16 | 17.8 |
| Must have savings/emergency fund | 13 | 14.4 |
| Need for contingency plan/strategic plan | 11 | 12.2 |
| Need for adjustments and coping up | 8 | 8.9 |
| Do not depend/Don't give up on business | 6 | 6.7 |
| Be a risk taker/Explore new markets | 5 | 5.6 |
| Have patience and be positive | 5 | 5.6 |
| Diversify | 4 | 4.4 |
| Be more creative/innovative | 3 | 3.3 |
| Be resourceful/Look for alternative | 3 | 3.3 |
| Importance of food security | 2 | 2.2 |
| importance of physical and mental health | 2 | 2.2 |
| There are other opportunities to come | 2 | 2.2 |
| A lot | 1 | 1.1 |
| Products should be accessible | 1 | 1.1 |
| Should have networks (customer care and suki) | 1 | 1.1 |
| Sustainability of raw materials | 1 | 1.1 |
| How did you cope up with the challenges brought by the pandemic? | | |
| Being resourceful/Looking for alternatives | 10 | 11.1 |
| Digitalization and Online Selling | 9 | 10.0 |
| Venture into other businesses/Find other income source | 8 | 8.9 |
| Continue operations/work | 7 | 7.8 |
| Adaptability to changes | 5 | 5.6 |
| Assessing the situation, following rules | 5 | 5.6 |
| Engaged in farming | 5 | 5.6 |
| Being patient and focused | 4 | 4.4 |
| Proper communication with customers (Networks) | 4 | 4.4 |
| Acceptance | 3 | 3.3 |
| Believe in self and higher being | 3 | 3.3 |
| Diversify | 3 | 3.3 |
| Hard to cope up | 3 | 3.3 |
| Promotions and marketing strategies | 3 | 3.3 |
| Avail Government Aid Programs and Trainings | 2 | 2.2 |
| Being creative/innovative/flexible | 2 | 2.2 |
| Cost-cutting measures | 2 | 2.2 |
| Engagement to deliveries | 1 | 1.1 |

B. INTEGRATION OF OVER-ALL FINDINGS ON THE EVALUABILITY OF MSMEDP AND ITS SIX PROGRAMS

1. On the Evaluability of MSMEDP and its Programs

The over-all findings on the evaluability of MSMEDP and its six component programs are summarized in **Table 31**.

Table 31. Evaluability of MSMEDP and its Programs

| Evaluability Aspect | Over-all MSMEDP |
|------------------------------|--|
| Program Design | MSMEDP TOC was recreated from the plan's descriptive narrative during the March 6, 2020 workshop since there was no explicit TOC for MSMEDP. |
| Data Availability | All programs are generally in-sync with the MSMEDP indicators examining indicators being tracked and data being collected, means of collecting data, forms the data are available, and periodicity. |
| Periodicity | Establishing baseline values is possible in all the six component programs, although the level of difficulties may vary depending on whether the data are already neatly organized in a database or still have to be retrieved from hard copies of documents such as application forms, business proposals, etc. |
| Stakeholders' Demand | NEDA, DTI, and DOST- as major movers of the MSMEDP and its program; DBM, the upper and lower houses of congress and COA, as considerable amount of public resources have been used. |
| Robustness of the M&E system | The M&E systems of MSMEDP and its component programs are fairly robust, albeit with plenty of rooms for improvement. |

2. On Program Design

The over-all findings on the program design of the six MSMEDP component programs are summarized in Table 32 as follows:

Table 32. Program Design of the Six MSMEDP Programs

| KMME | P3 | NC | SSF | OTOP | SETUP |
|--|--|---|--|--|--|
| No explicit TOC narrative and results framework | No explicit TOC narrative and Results Framework | Has TOC narrative and Results Framework | No explicit TOC narrative and Results Framework | No explicit TOC narrative and Results Framework | No explicit TOC narrative and Results Framework |
| Assessment team together with the program owners constructed the TOC and results framework | Assessment team together with the program owners constructed the TOC and results framework | | Assessment team together with the program owners constructed the TOC and results framework | Assessment team together with the program owners constructed the TOC and results framework | Assessment team together with the program owners constructed the TOC and results framework |

The MSMEDP did not have an explicit TOC narrative, but the descriptive narrative of the plan was adequate to establish the TOC and results framework. To build the TOCs and RFs, a workshop was carried out on March 6, 2020 involving the key personnel of NEDA, DTI, and DOST. The initial TOCs and RFs developed during the workshop were subsequently validated in a series of consultations with the relevant personnel from each program.

The MSMEDP's TOC reconstructed from the descriptive narrative of the Plan as well as its general result framework appear to be plausible. Business environment, capacity and opportunities are well-known pathways to business development and improving these areas is

an excellent strategy for the growth of MSMEs. In addition, the outcome indicators were clearly specified as well as the corresponding baseline and targets. However, the outcome indicators were not linked clearly with the outputs and intermediate outcomes of the component programs and the assumptions needed to achieve a nationwide reach were not explicitly indicated. This could be a major limitation in future evaluation as the issue of attribution could not be resolved easily. For instance, an increase in the number of registered MSMEs cannot be unambiguously attributed to MSMEDP unless there is clear evidence of causal links between the outputs of the component program and the outcomes of MSMEDP. It could very well be possible for the component program to be a complete failure, yet the outcome indicator of MSMEDP can still exhibit improvement due to exogenous influences.

As part of the evaluability assessment, a more specific results chain of MSMEDP as well as the assumptions that must be satisfied were formulated and validated by the representatives of the implementing entities during the TOC workshop. The results chain clearly linked the six accompanying programs with the indicated outcomes of MSMEDP (Table 3). The results chain column describes in a nutshell how the program intervention can lead to outputs then to intermediate outcomes and finally to the MSMEDP outcomes. On the other hand, the last column indicates the reach, capacity, and behavior change (e.g., extent of adoption) assumptions needed for the program interventions to reach the scale of the MSMEDP, which is nationwide in coverage.

There were only three outcome indicators for the MSMEDP: (1) increase in employment of MSMEs; (2) percentage increase in number of registered MSMEs; and (3) proportion of small-scale industries in total value added. The possible sources of data for these indicators were identified together with the baseline and target values. As part of the evaluability assessment, a more specific results chain of MSMEDP as well as the assumptions that have to be satisfied were formulated and validated by the representatives of the implementing entities during the TOC workshop. The results chain clearly linked the six accompanying programs with the indicated outcomes of MSMEDP.

The reconstructed MSMEDP theory of change and results chain were crucial in gauging the evaluability of the MSMEDP and its component programs. The evaluability assessment also found that except for *Negosyo Center*, the MSMEDP component programs did not have theories of change. Similar to MSMEDP though, it was possible to construct a TOC narrative based on the rationale of the programs and the strategies being pursued. In contrast to the MSMEDP however, the component programs did not have results framework, which would be a major evaluability constraint. Nevertheless, the evaluability assessment reconstructed both the theory of change and results framework, albeit it took several consultations and validation with the implementing agencies of the various programs.

The six component programs under MSMEDP have one to one correspondence with the five strategies of MSMEDP in its general results framework. The achievement of improved business climate is through the *Negosyo Center Program (NCP)*; that on improved access to loan is through P3; access to market is through OTOP; access to technology and facilities is through SETUP and SSF; and enhancing management and labor capacity is through KMME.

In the case of KMME's TOC and RF, a key causal link, albeit implicit assumption is that mentoring, training, outreach and learning by doing will lead directly to improvement in productivity/efficiency of the business. This assumption is plausible as the literature is replete with evidence that the knowledge, attitude, and practices (KAP) pathway is the most viable pathway in effecting behavioral change. The validation of the implicit and explicit assumptions through KIIs, FGDs and survey highlighted that program success is dependent on the commitment of mentees, the credibility of mentors, the quality of the modules, sustained assistance from the other units of DTI, strong partnership between PCE and the other coordinating units, sustained program funding and ease of meeting the requirements of the

program. The output, outcome and impact indicators are clearly specified and are considered good metrics of the performance of the KMME program. In addition, while the baseline values have not been established, it appears these can be obtained from an earlier survey (2016-2017) of KMME graduates. Moreover, the program reach can easily be established from the number of trainees/mentees of the program.

For P3, the primary causal link assumption is that access to reasonably priced credit will improve productivity/efficiency and that such access is possible by improving the flexibility of MFIs to manage loan portfolio. This is highly plausible as earlier studies by the Agricultural Credit Policy Council (ACPC) in 2017 empirically showed that access to credit improves productivity and that MFIs were more effective conduits in providing credit assistance. The survey of beneficiaries of the program validated the causal link assumption on the importance of access to credit. The results frame of P3 clearly specified the output and outcome indicators, although the absence of baseline and targets will be a challenge in future evaluation. This was already identified during the workshop and series of consultations with SBC and were indicated as part of the risk and assumptions in the logical framework. The link between P3 and MSMEDP is clear as the impact indicators on MSMEs with improved productivity and number of MSMEs with increased profits directly relate with the three major outcome indicators of the MSMEDP.

The *Negosyo Center* is the only component program of MSMEDP which has an established TOC even prior to the evaluability assessment. The assessment validated the existing TOC in a series of KIIs with heads and staff from agencies/units such as the program management unit of *Negosyo Center* and the coordinators in the regions and provinces. The essential causal link assumption is that assistance in navigating regulatory requirements and accessing support services will reduce the cost of doing business and promote the growth and development of MSMEs. This assumption is plausible considering that business transaction costs are high in the country, especially search cost (cost of information search) as well as the costs associated with contracting. The survey of NC beneficiaries validated the importance of NC's causal link assumptions. The primary motivation of the majority of beneficiaries (57%) was to access information/knowledge on business operations. Almost half (47%) of the respondents wanted to explore new business opportunities while others were motivated by the assistance provided in processing business permits and documents (43%); access to trainings (38%); and new knowledge on technical operations (36%). The output and outcome indicators of NC are well-specified except for the absence of baseline targets, which will be a major constraint in future evaluation.

The SSF did not have a theory of change or results framework prior to the evaluability assessment. The assessment team constructed the TOC and RF with the implementers from the program rationale and other program documents. The TOC is plausible considering that MSMEs are often constrained to adopt technologies, especially processing/manufacturing machineries due to high cost. In addition, equipment/machineries are indivisible and have operating capacities far more than what would be needed by individual MSMEs. The sharing scheme is therefore a viable strategy and could really be expected to positively impact on MSME's performance. The causal link assumption also appears adequate as what is really needed is to just increase the access to technologies in order to realize the positive effect on production or manufacturing performance of MSMEs. Result of the survey of beneficiaries validated the TOC and causal links of the program. Almost half (48%) of the respondents indicated they participated in the program to improve their production operation, 19 percent to standardize and improve the quality of their product while one third (32%) wanted to improve the production operation of other MSMEs engaged in similar business within the community by sharing the service facilities with them. The output, outcome and impact indicators are well specified, and the targets are indicated. While the baseline values are not indicated this will not be a major limitation as the indicators are periodically tracked in the M&E system of the program. The indicator on increase in sales or income generated can be linked directly to the

MSMEDP indicator on increase value added. This indicates that the SSF program can contribute directly to the targets of MSMEDP.

The OTOP program did not have a clear theory of change and results framework prior to evaluability assessment. The assessment team reconstructed the TOC and RF together with the program implementers. Unlike the other program components of MSMEDP which provide specialized type of assistance, OTOP is a general program intended to provide all types of support to MSMEs. The pathway though is through building capacity to enable MSMEs to level up, be standards compliant and access new and bigger markets. In its RF, the output and outcome indicators are specified, but the baseline values have not been established. However, this probably will not be a problem as all the outcome indicators are derivable from the existing M&E system of the program.

The outcome indicators of the OTOP program can directly feed to the outcome indicators of the MSMEDP, especially the improved domestic and export sales of the OTOP clients which may form part of the increase value added indicator in the MSMEDP. Owing to its nationwide scale, the OTOP program also satisfies the reach assumption of the MSMEDP. Similar to the other MSMEDP component programs, SETUP did not have an explicit statement of its theory of change and results framework. However, the descriptive narrative of the program as well as information from relevant documents were adequate to construct the TOC and results framework in consultation with the DOST representatives who are managing the program. The primary causal link assumption that access to technology and other S&T solutions can lead to productivity growth is valid, *ceteris paribus* (all other things held constant). Most cases of technological failure are due to exogenous factors, especially unfavorable input and output market conditions (e.g., increase in the cost of fuel or electricity which makes mechanized operations costlier).

3. On Availability of Data

Four important areas were examined in establishing the availability of data in the six MSMEDP component programs: (1) indicators being tracked and data being collected; (2) means of collecting data; (3) forms the data are available; and (4) periodicity. Findings on the availability of data of the six MSMEDP component programs are summarized in **Table 33**.

Table 33. Data Availability of the Six MSMEDP Component Programs

| KMME | P3 | NC | SSF | OTOP | SETUP |
|---|---|---|---|--|--|
| <p>Size of capital, sales, personnel</p> <p>Indicators directly related with the program's major indicators:</p> <ul style="list-style-type: none"> • Asset size • Sales data' • Number of products/service lines • Number of customers penetrated in both the domestic and export markets • Number of employees | <p>Size of capital, sales, personnel</p> <ul style="list-style-type: none"> • Number of organized in a databank but are found in the application papers only for both the retail and wholesale schemes • Not aggregated at the MFI and SBC level, which could be a challenge in future evaluation | <p>number of NCs established, number of MSMEs served, number of trainings facilitated, number of marketing events organized, and number of financing fora conducted</p> <p>Indicators on asset size, employment generation and the growth in sales and profitability/income levels are also being monitored</p> | <p>Number of MSMEs assisted, number of jobs created, total sales value, amount of investments generated</p> <p>Program indicators are as follows:</p> <ul style="list-style-type: none"> • sales generated • jobs/employment generated • total investments • number of SSFs established and facilities provided • number of MSMEs assisted • Number of operational, partially operational SSFs • Status of the facilities • Number of SSFs turned-over/donated to cooperators • Amount disbursed | <p>Probably has the largest number of indicators being tracked and data being collected</p> <p>Program indicators are classified by services provided such as training, trade fairs, etc.</p> <p>Indicators directly related with the program's major indicators</p> <ul style="list-style-type: none"> • number of MSMEs assisted • number of jobs generated • amount of sales generated | <p>Major indicators track productivity/efficiency/improvement, employment generated, gross sales generated and number of MSMEs assisted.</p> <p>All the major indicators of the program directly relate with the MSMEDP indicators</p> |

3a. Indicators being tracked and data being collected

For KMME, the major indicators being tracked are the size of capital, sales, and personnel of the MSMEs, among others. All these indicators could directly translate to the MSMEDP indicators, especially on increase in employment and increase in MSME's value added. The KMME and MSMEDP are therefore in-sync with respect to the indicators being tracked.

The KMME M&E system collects a wide array of data from its beneficiary MSMEs. Among the data being collected which relate directly with the program's major indicators are the asset size of the MSMEs, sales data, number of products/service lines, number of customers penetrated in both the domestic and export markets and number of employees. If collected religiously, these data should be adequate to track the program's major indicators.

Similar to KMME, the P3 major program indicators are size of capital, sales, and personnel. These directly relate with the MSMEDP indicators. However, while the data on these are available these are not organized in a databank but instead are found in the application papers only for both the retail and wholesale schemes. In addition, the data are not aggregated at the MFI and SBC level, which could be a challenge in future evaluation.

In the case of SSF, the key performance indicators are the number of MSMEs assisted, number of jobs created, total sales value and the amount of investments generated. All of these are in-sync with the MSMEDP indicators. The data collected by the program includes sales generated, jobs/employment generated, total investments, number of SSFs established and facilities provided, number of MSMEs assisted, number of operational, partially operational and non-operational SSFs, status of the facilities, number of SSFs turned over/donated to cooperators and amount disbursed, among others.

The major indicators of the *Negosyo* Center program are the number of NCs established, number of MSMEs served, number of trainings facilitated, number of marketing events organized, and financing fora conducted. The indicators on asset size, employment generation and the growth in sales and profitability/income levels are also being monitored, which makes the program in-sync with MSMEDP.

The OTOP program probably has the largest number of indicators being tracked and data being collected, obviously owing to the enormity of the program. The program indicators are classified by services provided such as training, trade fairs, etc. Among the indicators, the number of MSMEs assisted, number of jobs generated, and the amount of sales generated by the MSMEs directly relate with the MSMEDP indicators.

For SETUP the major indicators include productivity/efficiency improvement, employment generated, gross sales generated and number of MSMEs assisted. A wide array of data is being collected to track these indicators and for management use. All the major indicators of the program directly relate with the MSMEDP indicators.

3b. Means of collecting data

The most important means of collecting primary data is through the application form of program applicants. In all the six component programs, applicants are required to fill-out an application form which gathers basic personal and business information. Simple business proposals which are required in accessing certain program assistance such as loans also serve as a rich source of primary data for the various programs.

In the case of KMME for instance, a one-page data capture form is required that gathers information including business name and branch, contact details, gender, form of ownership, major business activity and product/service line. The information gathered related to the indicators include initial capitalization, asset size classification, and number of employees. In addition, the KMME Operations Manual has a monitoring template that requires the Mentees to submit the form 6 months after graduation.

Similarly, for OTOP, data are gathered from the company information sheet and product information sheet. Tracking the status of the business is available for every client if both company and product information sheets are regularly updated. However, there is no system to consolidate the data as these are not organized in a databank for easy retrieval.

For SETUP, the technology needs assessment (TNA) serves as an important means of collecting data, especially baseline data. In addition to the TNA, the pre-implementation project information sheet (PIS) is also required for submission before the release of project funds. The Pre-PIS asks for the baseline data prior to the assistance such as: total assets, current employment, total volume of production, gross sales, total assets of the firm and pre-implementation assistance obtained from DOST. SETUP data base is included in the DOST national database known as IMPRESSION (Information and Monitoring of Projects, Services and S&T interventions) IT System.

In the case of P3 and SSF, data are gathered from the project proposals submitted by the proponent. This includes sales, production, and market data prior to the project. Updating the data, however, is a problem since the cooperators are often reluctant to divulge information. With regards to *Negosyo Center*, the business counsellors (BCs) play an important role in the updating of data as they are monitoring the MSMEs upward steps towards the 5-level enterprise development track (EDT). The BCs access and update the Client Profile and Monitoring System (CPMS) of DTI which maintains all data related to assistance provided to MSMEs.

It appears that in all the six component programs, there is an effective and easy means to collect initial data from the MSMEs. It is therefore possible to establish the baseline values in case the programs will be evaluated in the future. The difficulty though is in the updating of the data. Such updating is accomplished through a monitoring system designed to gather data while the assisted projects are in progress or even beyond.

Forms the Data are Available

All six component programs maintain databases where data are stored and managed. How the data are organized of course differ depending on the program. In the case of KMME, data are inputted into an online mentee database that forms part of the KMME database called the Data Catalogue. This is a spreadsheet provided by the KMME national office for the provincial and coordinators to use.

With regards to SSF, the project management office (PMO) maintains a database of information by geographic location (municipality, province, and region), industry clusters, by type of cooperator, and by requested equipment, and reported on monthly, quarterly, and annual basis.

Similarly, with OTOP, its PMO maintains a data base of all information required in the program's work and financial plan. The database is built from the information provided by the regional offices based on the template given by the PMO. These are reported monthly, quarterly and annually.

The DTI maintains the Client Profile and Monitoring System (CPMS). It is an Excel database which contains the profile of the MSMEs being assisted by the DTI. It stores information about the MSME, including profile and other details of the owner or beneficiary of the assistance; profile of the MSME, including asset size, financial capital, sales, markets; type of assistance being provided; and level or stage of business which can be used for the enterprise development tracking (EDT). The system is not specific to KMME but is used for other *Negosyo Center* programs.

The DOST also used to maintain a national database for SETUP. However, the database is now being maintained at the regional and provincial offices since the time the program has been devolved to the regional offices. At the provincial level, the provincial science and technology centers (PSTCs) maintain electronic databases (non-online) and distinct project files for their implemented projects, which includes SETUP. A DOST nationwide data base known as IMPRESSION (Information and Monitoring of Projects, Services and S&T interventions) IT System was developed by DOST IVA. IMPRESSION IT System is a centralized tool for monitoring, documentation, and management of SETUP, Grants-in-Aid (GIA), and other projects of the DOST nationwide. DOST has already started streamlining IMPRESSION IT System in the M & E system of the Regional Offices.

3c. Periodicity

As mentioned earlier, establishing baseline values is possible in all the six component programs, although the level of difficulties may vary depending on whether the data are already neatly organized in a database or still have to be retrieved from hard copies of documents such as application forms, business proposals, etc. Findings on the periodicity of the six MSMEDP component programs are summarized in **Table 34**.

Table 34. Periodicity of the Six MSMEDP Component Programs

| KMME | P3 | NC | SSF | OTOP | SETUP |
|--|--|--|---|---|--|
| Data gathered: <ul style="list-style-type: none"> Monitoring template Mentee Success Story Documentation Sheet | Data gathered: <ul style="list-style-type: none"> Program dashboard | Data gathered: <ul style="list-style-type: none"> Program dashboard | Data gathered: <ul style="list-style-type: none"> Database using the monitoring template | Data gathered: <ul style="list-style-type: none"> Database using the monitoring template | Data gathered: <ul style="list-style-type: none"> Refund rates and liquidation status, sales and status of technology acquisition |
| Frequency: <ul style="list-style-type: none"> At least annually but not being used (according to KIIs and FGDs) Traces mentees before, during and after KMME program participation | Frequency: <p>Regularly</p> | Frequency: <p>Regularly</p> | Frequency: <p>Regularly</p> | Frequency: <p>Regularly</p> | Frequency: <p>Weekly or monthly</p> |
| Remarks: <p>KIIs and FGDs: this is not being used. However, the documentation varies across regions or provinces and there is no regularity of submission</p> | Remarks: <p>Contains among others, data on total loans released and the number of microenterprises availing P3 loans</p> | Remarks: <p>Used by the business counsellors in tracking the MSMSEs movement or upward steps to achieve the 5-level Enterprise Development Track (EDT)</p> | Remarks: <p>Reported on a monthly, quarterly and annual basis</p> | Remarks: <p>Reported monthly; Updating status depends on submission by MSMEs</p> | Remarks: |

The next important question is whether the data are being collected on a regular interval to track the progress of the indicators over a given period. It was learned from KIIs and FGDs that in the case of KMME, the monitoring template which is supposed to be the means to update data at least on a yearly basis is not being used. This would have been an effective avenue for generating data, particularly for MSMEs not availing of other DTI programs. The KMME also has Mentee Success Story Documentation Sheet which traces the mentees' journey before, during and after the KMME program participation. However, the documentation varies across regions or provinces and there is no regularity of submission.

Monitoring appears to be done more intensively and data are collected more frequently in programs that provide loan assistance. Examples of this are the SETUP and P3 programs. In the SETUP program, the common data being monitored weekly or monthly include refund rates

and liquidation status as well as sales and status of technology acquisition, among others. In the case of P3, its dashboard is regularly updated and contains among others, data on total loans released and the number of micro-enterprises availing P3 loans.

In the case of the *Negosyo Center*, it was learned from the KIIs and FGDs that the program dashboard is regularly updated since it is used by the business counsellors in tracking the MSMEs movement or upward steps to achieve the 5-level Enterprise Development Track (EDT). Similarly, in the case of OTOP, data is generated monthly, quarterly and annually based on the template provided. These are reported by province and region. However, it was learned from the KIIs that the company and product information data sheet may not be regularly updated and organized. It would therefore be difficult to track the status of each MSME.

Data updating appears to be better for SSF as its PMO maintains a database of all relevant information by geographic location (municipality, province and region), industry clusters, by type of cooperator, and by requested equipment, and make a report on this on a monthly, quarterly and annual basis.

4. On Stakeholders' Demand

The key stakeholders that would be interested in the evaluation are NEDA, DTI, and DOST, which have been the major movers of the MSMEDP and the component programs. The DBM, the upper and lower houses of congress and COA would also be interested as considerable amount of public resources have been used in supporting the plan and its various programs. The final results, particularly on the relevance, effectiveness, efficiency, sustainability, and impact are some of the general areas of interest of these stakeholders. Findings on stakeholders' demand of the six MSMEDP component programs are summarized in **Table 35**.

Table 35. Stakeholders Demand of the Six MSMEDP Component Programs

| KMME | P3 | NC | SSF | OTOP | SETUP |
|---|--|--|--|--|--|
| Has already been subjected to earlier evaluation by the Asian Institute of Management (AIM) in 2019. However, it failed to cover the most important aspect on the number of SMEs which were able to scale-up as a result of the program | Has not been subjected to earlier evaluation | NC had its impact assessment study in 2019 | Has already been subjected to earlier evaluation by the Philippine Institute for Development Studies (PIDS) in 2016, but the evaluation was considered preliminary and was done prior to MSMEDP. An impact assessment was conducted by UP Institute of Small Scale Industries. Data were presented on the number of cooperators and SSF established and amounts disbursed but no detailed estimation of benefits to stakeholders was done. | Has not been subjected to earlier evaluation | Has already been subjected to evaluation by the Development Academy of the Philippines (DAP) in 2019, but this covered the period when program implementation was still centralized at the DOST. A performance evaluation of SETUP under the decentralized implementation structure could yield valuable insights to further improve the program |

During the KIIs and FGDs, the program implementers both at the national and field levels have expressed the view that an evaluation is warranted so that specific enhancements can be identified and put in place. This is despite the fact that three of the programs, namely KMME, SSF and SETUP had already been subjected to an earlier evaluation. In the case of KMME an evaluation was done by the Asian Institute of Management (AIM) in 2019. However, it failed to cover the most important aspect on the number of SMEs which were able to scale-up as a result of the program. The SSF was evaluated by the Philippine Institute for Development Studies (PIDS) in 2016, but the evaluation was considered preliminary and was done prior to the MSMEDP. The impact of SETUP was evaluated by the Development Academy of the Philippines (DAP) in 2019, but this covered the period when program implementation was still centralized at the DOST. A performance evaluation of SETUP under the decentralized implementation structure could yield valuable insights to further improve the program.

5. On Robustness of the M&E System

The over-all findings on the status of the M&E systems of the six MSMEDP component programs are summarized in **Table 36**.

Table 36. Status of the M&E System of the Six MSMEDP Component Programs

| KMME | P3 | NC | SSF | OTOP | SETUP |
|--|---|--|--|---|--|
| <p>Majority (82%) of survey respondents were being monitored mostly monthly and quarterly by the DTI personnel</p> <p>The respondents also shared that they are being requested to provide data and documents for updating their records in the database</p> | <p>Has yet to implement actual monitoring of P3</p> <p>Field personnel of SBC were not even aware of the activities of the unit (based on KII and FGD)</p> <p>Currently closely being monitored: financial aspect of the program particularly pertaining to payments of loans</p> | <p>PMU provides consolidated report to BSMED on the status of NC implementation especially during the MSMEDP Council Meeting</p> <p>47% of respondents indicated they are being monitored by the NC staff either monthly (20%), quarterly (10%), yearly (6%) or varies/depends (11%)</p> | <p>Regional and provincial offices serve as the project's implementing arm.</p> <p>SSF Focal Person in the province closely monitor the status of implementation, collect the required data, process and consolidate the data and have these submitted to the regional focal person.</p> <p>No M&E plan, hence the conduct of M&E may differ among regions and provinces</p> | <p>Data collected serve as evidence of performance of each initiative funded by the program.</p> <p>Yearly targets are laid down as foundation for comparison to what was actually accomplished.</p> <p>The program sometimes experiences gaps in its monitoring and evaluating system, e.g., staff turn-over. However, great effort is exerted to fill these gaps, most notably in consistently updating and innovating the templates used for monitoring as the situation demands</p> | <p>PMMIS sets annual M&E activities in the provinces and reports its findings to the top management.</p> <p>PSTCs monitors programs and projects, including SETUP status.</p> <p>PSTCs regularly conduct site visits or phone calls to gather relevant data regarding the project implementation.</p> <p>PSTCs submit Semestral Status Reports and the Annual Project Information Sheets (PIS).</p> <p>94% of survey respondents said that DOST monitors them monthly (40%) and quarterly (48%), and that data, documents and payments/refund are required</p> |

The findings on the robustness of the M&E systems of the six MSMEDP component programs are summarized in **Table 37**.

Table 37. Robustness of the M&E System of the Six MSMEDP Component Programs

| KMME | P3 | NC | SSF | OTOP | SETUP |
|-------------------|---|---|--|--|--|
| M&E led by BMSMED | <p>M&E encompasses 3 levels: SBC, MFI, and credit delivery partner</p> <p>Program Owner: SBC, SBC Program Monitoring Unit to handle the M&E of P3 and its other lending programs</p> <p>P3 M&E MFI Level: Data collection and M&E System vary depending on the MFI's own systems, processing and procedures.</p> <p>Majority of the beneficiaries (59%) were being monitored, but mostly in relation to payment or collection of their loans. The frequency of monitoring is either monthly (40% of respondents) or quarterly (21%)</p> | M&E handled by the Project Management Unit which is under the DTI Regional Operations Group | M&E handled by the SSF Project Management Office created by BSMED. PMO coordinate the M&E of the project, generate and consolidate the periodic reports from the DTI Ros, provide secretariat in support to NTWG and technical support in the procurement of the needed facilities | M&E handled by the Project Management Unit | <p>M&E conducted on the ground by DOST Provincial Science and Technology Center (PSTC).</p> <p>The DOST Regional Offices through the Planning, Monitoring and Evaluation and Management Information (PMMIS) Unit assumes main responsibility.</p> <p>SETUP database is included in the DOST national database known as IMPRESSION (Information and Monitoring of Projects, Services and S&T Interventions) IT System</p> |

In the case of KMME, the BSMED is tasked to be the lead for monitoring and evaluation, including the development of a concise evaluation process. The vision is to monitor the progress of the mentees after graduation, and more importantly focus on key result areas such as growth in sales volume and revenue, profitability and cash flow, employees, and capacity. It was found from the survey of beneficiaries that a large majority (82%) of respondents were being monitored mostly monthly and quarterly by the DTI personnel. The respondents also shared that they are being requested to provide data and documents for updating their records in the database.

For SSF, an SSF Project Management Office in BSMED was created whose tasks are to coordinate the monitoring and evaluation of the project, generate and consolidate the periodic reports from the DTI Regional Offices, and provide secretariat support to NTWG and technical support in the procurement of the needed facilities. The regional and provincial offices serve as the project's implementing arm. The SSF Focal Person in the province has to closely monitor the status of implementation, collect the required data, process, and consolidate the data and have these submitted to the regional focal person. However, there is no M&E plan, hence the conduct of M&E may differ among regions and provinces.

In the case of OTOP, data collected serve as evidence of performance of each initiative funded by the program. Yearly targets are laid down as foundation for comparison to what was actually accomplished. A comprehensive evaluation of what these numbers signify is accomplished annually, making it easier to map out trends and gauge a project's impact. The program sometimes experiences gaps in its monitoring and evaluating system. However, great effort is exerted to fill in these gaps, most notably in consistently updating and innovating the templates used for monitoring as the situation demands.

For SETUP, the DOST Regional Offices (RO) assume the main responsibility in monitoring the projects especially since the SETUP funds were already devolved to their offices. Previous to this, monitoring was done by the national office. Results of KIIs suggest that the current monitoring arrangement is better. Monitoring of all approved projects is the main responsibility of the DOST RO thru the PSTC. This process starts from the release of funds up to the end of the project when the beneficiary has refunded the financial assistance provided.

The regional office has a Planning, Monitoring and Evaluation and Management Information System (PMMIS) Unit which is responsible for the M&E activities in the region. It sets annual M&E activities in the provinces and reports its findings to the top management. Part of the regular function of PSTCs is the monitoring of its Programs and Projects, including SETUP. The PSTCs regularly conduct site visits to the projects or through phone calls to gather relevant data regarding project implementation. They also submit Semestral Status Reports and the annual Project Information Sheets (PIS).

Survey respondents affirmed (94%) that DOST monitors them monthly (40%) and quarterly (48%), and that data, documents and payments/refunds are required.

The over-all findings on the database management of MSMEDP programs are summarized in **Table 38**.

Table 38. Database Management of MSMEDP Component Programs

| KMME | P3 | NC |
|--|--|--|
| <p>Client Profile and Monitoring System (CPMS)</p> <ul style="list-style-type: none"> • Principal database for the KMME M&E system' • Limitation: Use of Excel as its programming and database tool • Issues on speed of processing and consolidation at the regional level were pointed out by the key informants • High number of entries per province over time will eventually possibly cause problems to the system | <p>Regular monitoring is done on the following indicators:</p> <ul style="list-style-type: none"> • Number of beneficiaries • Loan amount • Covered areas • Number of provinces reached • Volume of assistance • Direct retail scheme-first 6 months and quarterly thereafter • Wholesale scheme-during audit and field validation, as well as payment monitoring through PDCs issued by the MFIs | <p>Important databases</p> <ul style="list-style-type: none"> • Dashboard used by BCs to monitor their monthly activities and services provided • CPMS used to capture MSME information • Includes the EDT level which the BC assign to a specific MSME • Issues encountered: numerous data field requirements, dependability of the Internet connectivity, double counting of some entries and other technical issues |

The Client Profile and Monitoring System (CPMS) is the principal database for the KMME M&E system. The limitation of the CPMS however, is the use of Excel as its programming and database tool. In most of the KIIs, issues on speed of processing and consolidation at the Regional Level were pointed out by the key informants. It is also possible that the high number of entries per province over time will eventually cause problems to the system.

In the case of P3, the M&E system encompasses three levels—SBC, MFI, and credit delivery partner. The Small Business Corporation (SBC) is the program owner. It established a program monitoring unit to handle the M&E of P3 and its other lending programs. However, it has yet to implement actual monitoring of P3 and it was learned from the KIIs and FGDs that the field personnel of SBC were not even aware of the activities of the unit.

What is closely being monitored in P3 is the financial aspect of the program particularly pertaining to payments of loans. Regular monitoring is done on the following indicators: (1) number of beneficiaries, loan amount, covered areas, number of provinces reached, and volume of assistance. Other indicators include purpose of the loan, beneficiaries, and utilization rate. For direct retail scheme, monitoring is being done for the first 6 months and quarterly thereafter. For the wholesale scheme, monitoring is done during audit and field validation, as well as payment monitoring through Post Dated Cheques (PDCs) issued by the MFIs.

At the MFI level, data collection and M&E system vary depending on the MFI's own systems, processes, and procedures. The survey confirmed that majority (59%) of beneficiaries were being monitored, but mostly in relation to payment or collection of their loans. The frequency of monitoring is either monthly as shared by 40 percent of the respondents or quarterly according to 21 percent of the respondents.

For NC program, the M&E is being done by the Project Management Unit which is under the DTI Regional Operations Group (ROG). The PMU also provides report to BSMED on the status of NC implementation especially during the MSMEDP Council Meeting. Report of the PMU is a consolidated report of all regional reports.

Important databases used in monitoring NC beneficiaries include the dashboard used by BCs to monitor their monthly activities and services provided and the CPMS used to capture MSME information. The CPMS includes the EDT level which the BC assign to a specific MSME based on initial assessment and indicators. However, the KIIs indicated some issues in the use of CPMS such as the numerous data field requirements, dependability on internet connectivity, double counting of some entries and other technical issues. The survey of NC beneficiaries showed that 53 percent of the respondents indicated they were being monitored by the NC staff either monthly (43%), quarterly (10%) or yearly (6%).

6. On Relevance, Effectiveness, Efficiency and Sustainability

A preliminary evaluation of program performance was carried out to deepen the assessment of the evaluability of the MSMEDP component programs. The performance parameters examined were relevance, effectiveness, efficiency, and sustainability. There are at least two reasons why preliminary performance evaluation could inform an evaluability assessment. First, by initially gauging the performance of the program, its readiness for a full-blown evaluation could be better examined. Second, by making a preliminary assessment of performance, the key evaluation questions that should be pursued in a full-blown performance evaluation could be more effectively identified.

Using the Likert scale, results of the survey of beneficiaries showed that in all the six programs and in all the parameters of performance, the response distribution is extremely skewed to the Likert scores of 4 to 5, which means there is high agreement among the respondents that the programs are relevant, effective, efficient and sustainable.

For KMME, respondents claimed the modular sessions provided them with effective business knowledge and principles and the program served as venue to widen their network and join forces with their co-mentees so that they can become a more “powerful” block in the supply chain. The survey showed that the respondents believe the program improved the following aspects of their business: management operations (96%), product or service quality (90%), labor efficiency (84%), lowered production cost (68%) and shortened the production process (59%). The respondents also have positive view on the sustainability of the program. They believe funds from government will be sustained as the program is quite relevant and successful.

Similarly, with P3, the respondents perceive the program as relevant as it addresses their need for low interest credit which they use to improve business operations. The program is also effective as it lessened their dependence on informal credit source which charge usurious rates. The beneficiaries claimed the assistance of P3 improved the efficiency in management operations (63%), the quality of their products and services (56%), labor efficiency (44%) and lowered cost of production (31%). It was suggested though, that further streamlining of the documentary requirements is needed.

With regards to the NC program, the survey respondents said the services offered by the program are necessary. Majority (59%) perceived that NC improved business climate in the area and that it has supported MSMEs’ business operations (62%). They also believe NC is effective in supporting the expansion and competitiveness of MSMEs through the promotional activities and advocacy initiatives. It was noted that MSMEs, after availing services of NC, were able to expand their network and business contacts which provided potential business opportunities. The respondents reported that in general, the trainings provided were able to improve business processes such that business registration was hastened (64%); shortened the process to operate a business (50%) and promoted efficiency in management (58%). Production costs were lowered (40%), improvement in quality of products and services (58%) and lower production costs (40%) were achieved. Marketing improvement was also observed through improved strategies and increased in number of potential markets.

In the case of SSF, the beneficiaries perceive the program to have addressed their needs to improve production operation and productivity. There were several testimonials proving that the program was able to help the MSMEs.

Similarly, in the case of OTOP, majority (53%) of beneficiaries believe the program helped MSMEs improve their business operation and address current concerns on product improvement. It enabled them to improve their management skills and the technical capability of their staff through the trainings provided.

With regards to SETUP, the beneficiaries of the program stated that SETUP is relevant to their business (67 percent); it can help them improve business operations and address current problems (64 percent); made them competitive (59 percent) and enabled them improve their management capability (54 percent). Majority of the survey respondents believe that SETUP is effective as it helped them standardize and improve the quality of their products (63 percent); increase their production capacity (60 percent); help the business grow and increase their income (59 percent). Nearly 50 percent believe that SETUP enabled them to develop new products and services, improve their management capability and technical capability of their employees, and generate more employment. and new markets.

7. On the Effects of the Covid-19 Pandemic

The KMME program launched a digital KMME called the *Kapatid Mentor Me Online Project*. This is a practical delivery mechanism for the same mentorship modules, with an emphasis on how to survive in spite of the setbacks the MSMEs are experiencing. Utilizing digital technology via Zoom, the modules were transformed for online learning, with an expanded panel of evaluators for the business improvement plans to include representatives from banks, online market platforms and other business support organizations.

KMME beneficiary respondents reported an overall average decrease in sales of 57 percent. Many of the MSMEs within each type of industry also closed down. Also hit hard by the lockdowns were the catering services, and the metals and engineering (referring to junk shops and motor repair shops). The food and food processing industry shrunk by 38 percent despite the common notion that this is the least hit by the pandemic. Lessons learned from the crisis include being always ready and resilient, having savings or emergency funds, the need to adjust and cope, and being innovative, creative and have new ideas.

In the case of P3, its beneficiaries under all types of industry experienced a drastic decrease in monthly revenues during the pandemic by 44 percent. In fact, 16 MSMEs reported closing down during the lockdown, especially those under the construction and manufacturing industries. Even those under the agriculture, aquaculture and fishing MSMEs reported a 57% decrease in revenues due to decreased demand and challenges related to transportation and other logistics. According to the beneficiaries, they learned the importance of savings or emergency funds (50%), the need to be ready and resilient (21%) by being pro-active, explore new markets, take risk; the need to diversify, look for alternatives and be resourceful (7%) and the need to have a contingency or strategic plan (4%).

Similarly, many of the *Negosyo Centers* experienced decreased in sales and income (21%) and stopped their operations (16%). Services offered were limited. Among the key MSMEs highly affected were under the service sector. The key informants reported that many restaurants and personal care businesses such as salons, barbershops, spa and gyms have shut down their operations. Tourism sector was greatly affected which included MSMEs operating hotels, inns and resorts, transportation services, and restaurants. On the other hand, food business and agriculture have flourished especially those that provided delivery services. In agriculture, the increased in demand for plants due to the "*plantito/plantita*" craze opened opportunities for MSMEs on this sector to grow.

In the case of SSF, the pandemic hampered the project's monitoring activities that require face-to-face meetings. Scheduled summits/conferences/trainings were cancelled. The implementation of the P500M SSF capital outlay allocated in the 2020 budget of the DTI to fund the procurement of new facilities was discontinued in order to contribute to the response measures. Many SSFs remained operational at the onset of the pandemic. Others fabricated the PPEs, face masks and aerosol boxes which were barely available then. Face masks and alcohols were likewise produced by many SSFs nationwide.

SETUP beneficiaries reported difficulties in raw materials supply, production capacity, market access and repayment of iFund to DOST. At the height of the pandemic, the volume of sales per month for all products declined. In terms of monthly revenues, those earning less than PhP10,000 before the pandemic, doubled from 13 percent to 26 percent during pandemic; those earning between PhP10,001 to PhP100,000 increased by 30 percent. The revenue of those earning more than PhP100,000 to PhP500,000 before pandemic were reduced by half, while those earning more than PhP500,000 were reduced by one third during pandemic.

With regards to OTOP, the pandemic led to the cancellation of face-to-face trade fairs and were replaced by virtual ones. Most stores had to undergo temporary closures. One third of the surveyed MSMEs reported that they were badly affected (32%). Decreases in sales and sluggish business were reported by 28 percent. Some have stopped operation (11%). Others encountered difficulty in product delivery, financial struggles/no income, and limited supply of the needed materials. The pandemic tested their resilience as they learned a lot from the crisis. Among these are the importance of readiness (18%), saving for emergency fund (14%), to have a contingency plan (12%), to adjust and cope up, not to depend on others and not to give up.

XII. SUMMARY AND EXPLANATION OF FINDINGS AND INTERPRETATIONS

A. On the evaluability of MSMEDP and its component programs

1. The MSMEDP and the six component programs are evaluable.

The TOC and results framework are available (reconstructed), plausible, the causal links between the MSMEDP with its component programs are valid and the indicators are clearly specified.

The MSMEDP and its component programs are fairly in- sync with the indicators and strategies in the MSMED/PDP results framework.

The output and outcome indicators of component programs are well-specified, except for the absence of baseline and targets. Baseline values can be established with varying difficulties depending on the program. In the case of KMME, baseline can be established from an earlier survey (2016- 2017) of KMME graduates. In SSF, OTP, NC and P3, the baseline values are not indicated and indicators are periodically tracked. For SETUP, baseline values can be mined from documents on technology needs assessment.

2. The M&E systems of MSMEDP and its component programs are fairly robust, albeit with plenty of rooms for improvement.

Enhancements are needed in the M&E systems of the component programs. The monitoring template of KMME is not being used. The KMME also has Mentee Success Story Documentation Sheet which traces the mentees' journey before, during and after KMME program participation. However, the documentation varies across regions or provinces and there is no regularity of submission.

A monitoring template for OTOP is provided and regularly updated. However, the company and product information sheet are not regularly updated and there is no system to organize the information in a databank for easy retrieval, making it difficult to track the status of the MSMEs supported by the program.

Monitoring is done more intensively and data are frequently collected in loan assistance programs such as SETUP and P3. However, the data being collected frequently are limited to those related to the loans, such as repayment, liquidation, refunds, etc. In the case of P3, the M&E unit established by SBC is yet to carry out actual performance monitoring of the program.

The Client Profile and Monitoring System (CPMS) is the principal database for the DTI supported programs. However, it uses Excel as its programming and database tool, thus the issue on speed and capacity.

3. There exists sufficient stakeholder demand for the evaluation of MSMEDP and its component programs.

Key stakeholders from NEDA, DTI, and DOST have been the major movers of the MSMEDP and its programs. The DBM, COA, the upper and lower houses of congress would also be interested as public resources were used in implementing the plan.

Program implementers both at the national and field levels look forward to specific enhancements in the programs, despite the fact that previous evaluation have been conducted for KMME (done by AIM in 2019), for SSF (done by PIDS in 2016), and for SETUP (done by DAP in 2019).

4. The appropriate type of evaluation is either TOC-based performance evaluation or TOC-based impact assessment using mixed-method approach.

TOC-based performance evaluation is appropriate for KMME, SSF and SETUP as they have been evaluated previously for impact. TOC-based impact assessment is appropriate for P3, NC and OTOP as these have not been evaluated yet for impact.

The key evaluation questions should cover the program design, i.e., validating the TOC, results framework, and causal link assumptions, as well as program performance as gauged against relevance, effectiveness, efficiency, sustainability, and impact.

B. On the process assessment of the six component programs

1. There is enough empirical evidence to suggest that the MSMEDP and its component programs are relevant, effective, efficient, and sustainable.

Results of the survey of beneficiaries showed that in all the six programs and in all the parameters of performance, the response distribution is extremely skewed to the Likert scores of 4 to 5, which means there is high agreement among the respondents that the programs are relevant, effective, efficient and sustainable.

KMME respondents claimed they were provided with effective business knowledge, wide network that could become a “powerful” block in the supply chain. P3 beneficiaries perceive the program addressed their need for low interest credit and lessened their dependence on informal credit sources. NC services were viewed as necessary in improving business climate, supporting MSMEs’ business operations and competitiveness. Very positive feedback was also provided by the beneficiaries of SSF, OTOP and SETUP.

2. Full-blown evaluation is warranted to demonstrate program success.

Since the MSMEDP is an integral part of the PDP, a full-blown independent and impartial evaluation of the component programs is warranted as the PDP draws to a close.

XIII. CONCLUSIONS AND RECOMMENDATIONS

The assessment firmed up that the MSMEDP and its programs are evaluable following the NEPF Evaluability Checklist with the reconstructed TOC and RF/impact pathways and that all six (6) programs are relevant, effective, efficient and sustainable.

The assessment puts forward the following recommendations:

1. The TOC narrative and results framework established in this evaluability assessment should be adopted by the various program owners as the official TOC and RF for the programs.

All the component programs, except for the *Negosyo Center* did not have a TOC narrative and clear RF. Since the TOCs and RFs reconstructed by the assessment team were validated by the various program implementers, these should be officially adopted to serve as bases for future program evaluation.

2. Officially harmonize the component program outcome indicators with the outcome indicators of MSMEDP.

The program outcomes and MSMEDP outcome indicators are generally in-sync. While the MSMEDP has specific and quantified outcome targets, the component programs do not have such targets, thus not clear how much of the MSMEDP targets are expected to come from the various programs.

3. Establish the baseline and outcome targets of the component programs.

All the component programs do not have baseline and target values for the outcome indicators. These should be established as the programs will eventually be assessed covering the 2017-2022 implementation period of the MSMEDP. The 2016 values of the outcome indicators should at least be established as the baseline.

4. Address the limitations/gaps in the current M&E systems of the various programs.

The assessment concludes that the M&E systems of the component programs are robust with identified limitations or gaps. These include the need to promote the use of the KMME monitoring template and a more regular submission of the story documentation sheet; the regular updating of the product and company information data of OTOP and organize these in a data bank; include program performance data in the monitoring of P3 and for the M&E unit established by SBC to start carrying out more vigorously its M&E function; and to start upgrading the CPMS for greater capacity and faster processing speed.

5. Initiate the preparation for the full-blown evaluation of the MSMEDP and its component programs, may include benchmarking in order to compare best practices.

The assessment also proposed the following action points: i) **For Recommendation 1**, request an issued resolution by the MSMED Council/Secretariat for adoption of the constructed and validated TOCs for P3, KMME, SSF, SETUP and OTOP; ii) **For Recommendations 2 and 3**, adopt the established log frame, linking the component PAPs' outcome indicators as contributory to main MSMEDP/PDP outcomes/goals on the succeeding cycle of the MSMED Plan and the Philippine Development Plan 2023-2028 Results Matrix; and iii) **For Recommendation 4**, harmonization and uniformity of monitoring template used,

regular dates of submission, organize information in a data bank, vigorously carry out M&E, and upgrade monitoring systems.

For each of the component programs, the assessment outlines the following M&E recommendations:

| Program | M&E Recommendations | Responsible Unit |
|---------|--|-----------------------|
| KMME | <p>Annual KMME monitoring template should be utilized. (Note: Given difficulty in gathering 100% survey responses, response rate should be reported.)</p> <p>The Mentee Success Story Documentation Sheet should be consistently followed through for every KMME training session. Response rate should be reported. Data collected should be stored in electronic format/database.</p> | BSMED- ROG |
| P3 | Include program performance data in the monitoring of P3 and for the M&E unit established by SBC to start carrying out more vigorously its M&E function. | DTI, SBC |
| NC | Start upgrading the CPMS for greater capacity and faster processing speed. | DTI NC |
| SSF | Additional Manpower. Transform baseline data into an electronic database for easy retrieval. | DTI, PMO |
| OTOP | <p>Periodically (e.g. quarterly/annually) cascade survey to update company information sheet of OTOP beneficiaries. Response rate should be reported.</p> <p>Consolidate gathered OTOP information in a databank.</p> | BSMED-ROG |
| SETUP | <p>A nationwide data base known as IMPRESSION (Information and Monitoring of Projects, Services and S&T interventions) IT System was developed by DOST IV-A. It is a centralized tool for monitoring, documentation, and management of SETUP, Grants-in-Aid (GIA), and other DOST projects nationwide; could be used for M&E activities considering limited staff for technical and financial monitoring. DOST has already started streamlining IMPRESSION IT System in the M & E system of its Regional Offices, hence the need for full implementation of IMPRESSION in all regions.</p> <p>Data on financial performance of SETUP could be useful and of interest to policy makers who have supported SETUP through the years. An estimate of the return of investments (ROI) could be meaningful for future support to SETUP program variants.</p> | DOST - SETUP, PSTC |

XIV. LESSONS LEARNED, GENERALIZATIONS AND ALTERNATIVES

The evaluability assessment suggested that the MSMEDP 2017-2022 and its programs are successful. Such success could be demonstrated through an independent, external and impartial assessment or full-blown evaluation that should be able to quantify the outcomes of the programs and relate these to the outcomes of the MSMEDP in particular and the PDP 2017-2022 in general.

Success stories of MSMEs as they navigate local and international marketplaces for innovative enterprises, services, and start-up business activities are truly inspiring, worth documenting and sharing among other MSMEs. Positive results of these MSME narratives and entrepreneurial journeys coupled with the results of the external evaluation of the MSMEDP and its programs could be used in advocating for policies that will institutionalize and sustain national government support to MSMEs such as the proposed *Pondo sa Pagbabago at Pag-assenso para sa Kaunlaran* (P3) Act, the OTOP Bill, and the KMME policy agenda, among others.

While the Covid-19 pandemic disrupted business operations and hampered business transactions of most MSMEs, it also created an opportunity for MSMEs to adapt to their changing circumstances e.g. use of online market platforms to sustain their business, expanding their business to respond to new markets such as in food delivery, food processing, food packaging, production of plant pots for increasing plant hobbyists, increased demand for agriculture and marine products, and shift in production of PPEs, face masks, alcohols and aerosols. The pandemic also created opportunities for MSMEs to use online learning, coaching and mentoring platforms to ensure their access to money, market and mentorship. MSME support programs also transitioned to e-commerce platforms and virtual learning modes to enhance business resiliency.

In the future, it is hoped that the MSMEs will be able to respond to future challenges, pandemic or otherwise, health or non-health related, as they gleaned from the lessons learned from covid lockdown situations e.g. being ready and resilient, having savings or emergency funds, being creative and innovative, having a business contingency plan, among others.

The pandemic has changed the landscape of business operations and industry particularly with respect to digital applications in business, ICT solutions and higher level of mechanization. As such, there is a need to level-up the operations of MSMEs in order to, not only survive, but further enhance their competitiveness and resiliency.

With government support and MSMEs' willpower, proactive decisions, and collective actions, it is hoped that MSMEs would be able to rebuild, repurpose, retrofit their business strategies and adapt and respond to the challenges of the "new normal" business environment.

Annex A. Terms of Reference for the Evaluation

EVALUABILITY ASSESSMENT OF MICRO, SMALL, AND MEDIUM ENTERPRISE (MSME) DEVELOPMENT PLAN AND PRIORITY PROGRAMS UNDER THE MSME DEVELOPMENT PLAN WITH A PROCESS EVALUATION OF GOVERNMENT SUPPORT

A. Project Title

Using Strategic Monitoring & Evaluation (M&E) to Accelerate the Implementation of the Philippine Development Plan (PDP) 2017-2022 (Strategic M&E Project; 00103908 / 00105719)

B. Background and Rationale

The National Economic and Development Authority (NEDA) and the United Nations Development Programme (UNDP) Philippines have embarked on a partnership to strengthen the conduct of evaluations of priority government programs under the PDP. Financed by the NEDA and implemented with full UNDP Country Office support, the Strategic M&E Project will help strengthen the M&E capacities of NEDA and key government agencies to support the achievement of the Philippine Development Plan (PDP) and the Sustainable Development Goals (SDGs) through evidence-based decision making. Under the project, independent evaluations are commissioned on key themes and programs relevant to the PDP and the SDGs. The results of the evaluations are envisaged to inform how policies and programs are designed and implemented to achieve the desired results of the PDP and contribute to strengthening the government's M&E systems.

Micro, Small, and Medium Enterprises (MSMEs) in the Philippines comprise 896,893 or 99.5% of the 900,914 total establishments, with bulk being microenterprises. In terms of categories, nearly half are engaged in wholesale and retail trade, while the rest delve in accommodation and food service, manufacturing, and others. The sector provides employment opportunities to about 4.8 million people and accounts for 61.6% of total employment. To spur the sector's development, the government has been undertaking policies and programs which are reflected in the MSME Development Plans (MSMEDPs). Coinciding with the cycle of PDPs, the latest iteration of the MSMEDP for 2017-2022 was formulated and approved by President Rodrigo R. Duterte in April 2018.

Aligned with the government's goal of advancing employment, business, and livelihood under the PDP 2017-2022, the MSMEDP (*Annex 1*) has three (3) focus areas, which are further cascaded into five (5) Strategic Goals. Under *business environment*, the MSMEDP aims for 1) Improved Business Climate and 2) Improved Access to Finance. Under *business capacity*, the Plan aims for 3) Enhanced Management and Labor Capacities and 4) Improved Access to Technology and Innovation. Finally, under *business opportunities* is 5) Improved Access to Market. The Plan also presents institutional support measures that cut across the strategic goals, including effective coordination and intensified planning, budgeting, and M&E of MSME development interventions. Thirty (30) "flagship" government programs and projects fall under the strategic goals.

How effective are these interventions to support MSME development throughout their life cycle, from establishment to scaling up? NEDA, through UNDP, is commissioning a process evaluation of the MSMEDP 2017-2022 with the goal of building towards a rigorous assessment of the Plan's outcomes and impact by the end of the Plan cycle. Such an evaluation will ascertain the efficiency of government's processes and systems to coordinate the MSMEDP as well as to monitor and evaluate MSME development programs and projects' contribution to higher-level outcomes, including increasing economic productivity and boosting employment.

The evaluation will include evaluability assessments of at least five (5) flagship programs that represent the MSMEDP 2017-2022 Strategic Goals. Such evaluability assessments will help prepare for future impact evaluations on the said programs by reviewing the clarity of results frameworks, robustness of data collection systems, stakeholder support, feasibility and availability of resources.

UNDP thus requires the services of a Firm to undertake the evaluation. The UNDP Strategic M&E Team will be utilizing the pre-qualified list of firms under the solicitation – EOI-018 which was conducted in August 2019. The pre-qualified list can be used for three years. The Firm will form a team composed of a project lead, technical adviser, and three (3) other evaluators at the minimum. It will report to and seek guidance from an Evaluation Reference Group (ERG) that is composed NEDA, DTI, DOST and other key government agencies, with participation from UN agencies and other partners. The ERG will provide direction and input to the design, implementation, and finalization of the evaluation; as well as facilitate management responses and action planning to the evaluation's recommendations.

C. Objectives of the Evaluation

The main objectives of this evaluation are to (1) assess the evaluability of the MSMEDP, and at least five flagship programs under the MSMEDP which represent the pillars of the current MSMEDP (i.e., implementation level), and to the extent possible, (2) determine the efficiency and effectiveness of government's processes to coordinate and facilitate the development, implementation, and monitoring and evaluation of the MSMEDP, including alignment of MSMEDP objectives with the PDP and its results matrix (i.e., oversight level); (3) as part of the evaluability assessment, assess the perception of MSMEs on the relevance and effectiveness of programs that cater to them. Such assessments are aimed to build towards the readiness of MSME development interventions for future impact evaluations. Of special interest is on how well do government interventions graduate MSMEs to the next category, i.e., from micro to small, small to medium, and medium to large.

The Evaluability Assessments of the MSMEDP and at least five flagship programs under the MSMEDP will entail an in-depth assessment of the following evaluability criteria spelled out in the draft Guidelines to the National Evaluation Policy Framework (NEPF, *Annex 3*), and may be guided by other references, including the attached UNDP template (*see Annex 4*). The Firm may also introduce its respective methodologies and approaches to assessing and strengthening evaluability and evaluation capacity.

1. *Clarity of the intervention* – does the subject of evaluation have a clear logical framework or theory of change? Are the objectives, outcomes, and outputs clearly defined? Are the indicators clearly stated?
2. *Availability of data* – is sufficient data collected against the indicators? Is there baseline data? What methodology can be used given the available data? The in-depth evaluability assessment is expected to delve into this evaluability criterion in detail, assessing the robustness of administrative data collection and M&E systems and how these link to broader national and agency-level planning and budgeting processes.
3. *Stakeholder interest and intended use* – how can decision-makers use the evaluation to improve program design, implementation, and resource allocation? Are there socio-political factors that could hinder the conduct of the evaluation?
4. *Availability of resources for the evaluation* – are there enough financial, human, and knowledge resources to conduct the evaluation? How much is required?

Following the results of the evaluability assessment, and the identification of at least five flagship programs under the MSMEDP, which represent the pillars of the current MSMEDP (i.e., implementation level) which are evaluable, the evaluation seeks to answer the following questions to the extent feasible (*see also Annex 1*). The inception phase of this contract is expected to further prioritize and refine these questions through a consultative process:

Relevance

- Are the results frameworks of the MSMEDP and its key flagship programs clearly outlined, with well-articulated results and well-defined indicators? How well do these results frameworks synergize with each other and with the broader PDP results matrix?
- To what extent have the MSMEDP, its objectives, and component programs have been relevant to the MSMEs themselves? Are there mechanisms which enable the government to regularly assess the relevance of its programs to MSMEs?

Effectiveness

- How can M&E systems be set up to enable the measurement of the contribution of MSMEDP and its flagship programs to the productivity, job generation, and other relevant socio-economic outcomes? Can this contribution be assessed using available data? What other data generation means can be utilized?
- Are the indicators and targets set in the MSMEDP reflective of the intentions of the plans' objectives and strategies? Are data collection systems in place to measure achievement?
- In the perspective of stakeholders, to what extent have the MSMEDP and component programs helped MSMEs with their needs at key stages in their life cycle?

Efficiency

- Have government interventions been implemented efficiently? What are the efficiency constraints that remain unaddressed?
- What are the existing coordination and implementation mechanisms in implementing the MSMEDP and its component programs? Are the implementation and coordination mechanisms conducive for achieving expected results?
- Are the flagship programs implemented cohesively at both national and local levels? Are the processes and structures in place capable of delivering and measuring the intended results: from inputs, to outputs, and to outcomes?
- Was there an appropriate level of financing to implement the MSMEDP?

Sustainability

- Are the government interventions for MSMEs sustainable? Can government M&E enable the assessment of the sustainability of benefits to MSMEs?
- How can DTI, which leads the MSME Development Council and serves as its secretariat, strengthen its M&E systems for the MSMEDP in a way that enables it to measure outcomes and impact of interventions rigorously?
- How can the various implementing agencies of MSME development interventions strengthen their M&E systems and pursue evaluations to support the overall M&E system of the MSMEDP?

D. Scope of Services and Methodology

The Firm will form a team composed of a project lead, technical adviser, and three (3) other evaluators at the minimum. It will report to and seek guidance from an Evaluation Reference Group (ERG) that is composed NEDA, DTI, DOST and other key government agencies, with participation from UN agencies and other partners. The ERG will provide direction and input to the design, implementation, and finalization of the evaluation; as well as facilitate management responses and action planning to the evaluation's recommendations.

Under the overall guidance of the UNDP in collaboration with the ERG of the study, and reporting directly and regularly to the Strategic M&E Project Coordinator of UNDP, the Firm shall undertake the following:

1. Preparatory work, including:
 - a. Design an overall analytical framework and methodology for the evaluability assessment of the MSMEDP and of at least five (5) flagship programs, and the formative evaluation of the MSMEDP;
 - b. Collate, review, and synthesize relevant literature and documents which shall inform the design of the methodology for the evaluation;
 - c. Scope out, review, analyze existing data on MSME development, including official statistics and administrative data from program and project implementation;
 - d. Prepare tools for the key informant interviews and focus group discussions;
 - e. Propose other data gathering and analysis tools as may be relevant.
2. Data gathering and analysis, including:
 - a. Conduct key informant interviews and focus group discussions;
 - b. Design and undertake a perceptions survey or other methodology that gauges the

- relevance and effectiveness of programs to MSMEs.
 - c. Undertake other data gathering and analysis tools, as may be proposed by the Firm, to address the evaluation questions.
3. Reporting of Results:
 - a. Draft and revise the Inception Report and Draft Evaluation Report in line with NEDA and UNDP quality assurance standards;
 - b. Prepare and submit a Final Report, subject to review by the ERG for this study, including the raw and processed data used in building the report;
 - c. Present results to and consider feedback from the ERG at key stages of the research, and provide feedback to the ERG on the evaluation process; and,
 - d. Communicate and consult with NEDA and UNDP and other stakeholders and incorporate their comments in the evaluation report.
 4. Presentation and Use of Results
 - a. Provide recommendations for strengthening M&E systems and undertaking future rigorous evaluation of the MSMEDP and its component flagship programs;
 - b. Present the preliminary or final results of the evaluation in a public forum;
 - c. Condense the findings in a one-page summary and a five (5)-page executive summary;

The Evaluability Assessment of the MSMEDP and of at least five (5) flagship programs will entail an in-depth assessment of the following evaluability criteria spelled out in the draft Guidelines to the National Evaluation Policy Framework (NEPF, *Annex 3*), and may be guided by other references, including the attached UNDP template (*see Annex 4*). The Firm may also introduce its respective methodologies and approaches to assessing and strengthening evaluability and evaluation capacity.

1. *Clarity of the intervention* – does the subject of evaluation have a clear logical framework or theory of change? Are the objectives, outcomes, and outputs clearly defined? Are the indicators clearly stated?
2. *Availability of data* – is sufficient data collected against the indicators? Is there baseline data? What methodology can be used given the available data? The in-depth evaluability assessment is expected to delve into this evaluability criterion in detail, assessing the robustness of administrative data collection and M&E systems and how these link to broader national and agency-level planning and budgeting processes.
3. *Stakeholder interest and intended use* – how can decision-makers use the evaluation to improve program design, implementation, and resource allocation? Are there socio-political factors that could hinder the conduct of the evaluation?
4. *Availability of resources for the evaluation* – are there enough financial, human, and knowledge resources to conduct the evaluation? How much is required?

The minimum five (5) flagship programs for Evaluability Assessment will be selected in consultation with NEDA, DTI, and the ERG. The key programs for assessment may include:

1. Improved Business Climate – establishment of *Negosyo* Centers by the Department of Trade and Industry (DTI) that facilitate doing business and access to services for MSMEs. DTI received a budget of PHP 582.4 million in 2019 to set up such centers nationwide.
2. Improved Access to Finance – various government financial institutions offer wholesale and retail lending facilities for MSMEs. These include the *Pondo sa Pagbabago at Pag-aseño* (P3) which had PHP 1.5 billion in budgetary support in 2019.
3. Enhanced Management and Labor Capacities – various training, coaching and mentoring programs are being implemented by DTI, such as through the *Negosyo*

Centers, the *Kapatid Mentor ME* in partnership with *Go Negosyo*, and the SME Roving Academy.

4. Improved Access to Technology and Innovation – programs implemented by government to provide MSMEs with technology to boost their productivity and upgrade their products include the Shared Service Facilities (SSF) of the DTI and the Small Enterprise Technology Upgrading Program (SETUP) of the Department of Science and Technology (DOST). These received budgets of PHP 308 million and PHP 582 million, respectively, in 2019.
5. Improved Access to Market – DTI and other agencies help MSMEs promote and market their goods and services through programs such as the One Town One Product (OTOP) Next Generation, which received PHP 90 million in 2019.

The process evaluation of the overall implementation and coordination of the MSMEDP may be undertaken through a combination of quantitative and qualitative research methodologies that are appropriate to the subject matter. The selection of methodologies shall be informed, apart from the evaluability assessment, by a review of relevant literature in the Philippines and in other country contexts on the effectiveness and impacts of government interventions to develop MSMEs as well as the efficiency of governance mechanisms to coordinate such interventions.

E. Expected Outputs

The Firm is expected to deliver the following:

1. An Inception Report. This describes the subject of the evaluation, outlines in detail the evaluation methodologies to be utilized, and sets forth the approach to be taken to assure quality and cultivate ownership in the exercise. The Inception Report will include an Evaluation Matrix (*template to be provided*) that outlines how the Firm will collect and analyze data to answer all evaluation questions. Finally, it must include a work plan and timeline. The evaluation designs and proposed methodologies specified in the Inception Report must reflect the evaluation plan, budgets, and operational environments, and the extent to which methods lead to collection of reliable data and analysis that provide a basis for reaching valid and reliable judgements. An inception workshop to be participated in by representatives of key stakeholders, which include, but may not be limited to ERG members will be organized by the Firm to support the development of the inception report. Firm will shoulder all costs related to the inception workshop.
2. An Interim Draft Evaluability Assessment and Interim Draft Evaluation Report. The evaluability assessment of the MSMEDP and the five priority programs should be completed, following the template to be provided or prepared by the Firm. Meanwhile, the evaluation report will outline the evaluation purpose, scope and rationale, and the methodologies applied including the limitation that these may come with. Prior to finalizing the report, the should share to NEDA and UNDP and stakeholders and facilitate a validation/meeting workshop. The report will also be shared with the ERG members and other stakeholders for review. Based on the outline agreed upon during the inception stage, the draft report provides an initial consolidation of the findings and recommendations of the study based on the data gathered and analyzed so far.
3. A Final Draft Evaluability Assessment and Final Draft Evaluation Report. The proposed measures to address gaps found in the Evaluability Assessment should be submitted:
 - a. *Unclear results framework* – development of program theories of change (TOCs), M&E plans, and indicators, with focus on linking program TOCs with the PDP and MSMEDP.
 - b. *Lack of relevant data* – development of data collection methodologies and tools for the agency, aligned with the statistical development plan.
 - c. *Weak demand and use* – identification of use plans for the evaluations.

- Communication and stakeholder engagement support in disseminating findings.
- d. *Limited resources* – costing of future impact evaluations and M&E capacity build-up requirements, which can be submitted for future funding.

Meanwhile, the Final Draft Evaluation Report must reflect the TOR and Inception Report and outline evaluation questions and the Firm answers to these alongside other findings and conclusions that the teams may have obtained. The report will also outline interim lessons learned, recommendations, and proposed follow-up actions. It should follow the UNEG evaluation report guidance. The report refines and completes the consolidation and synthesis of the findings and recommendations of the study based on all the data gathered and analyzed. This report will be routed to key stakeholders for comment.

4. A Final Evaluation Report which makes necessary refinements or adjustments to the report based on the feedback to be provided by the NEDA, DTI, and other implementing agencies. At this stage, the recommendations to strengthen M&E for the MSMEDP and the evaluability of the flagship programs should be finalized, in consultation with the ERG and other stakeholders concerned. The Firm shall also:
- a. Present the evaluation report to a public forum, as decided upon by NEDA. In doing so, they shall prepare a presentation slide deck;
 - b. Produce condensed versions of the report, namely: i) a one-page summary of the key findings of the study; ii) a maximum five (5)-page executive summary.

The Firm is expected to deliver the said outputs according to the following indicative schedule or another schedule as proposed. The total contract shall ideally be six (6) months, although an alternative time frame may be proposed within a maximum tolerance of three (3) months.

| Deliverables / Outputs | Target Due Dates | Review & Approvals Required |
|--|---|--|
| <u>Inception Report</u> with attachments/ annexes Revised, with matrix of key inputs from ERG, with feedback | Draft within two (2) weeks from the start of the Firm agreement Revised within one (1) week from presentation to ERG | Strategic M&E Project Coordinator, in consultation with relevant NEDA and UNDP officials and the ERG |
| <u>Interim Draft Evaluability Assessment and Interim Draft Evaluation Report</u> A matrix of key inputs from the ERG, with feedback | Within twelve (12) weeks from the start of the Firm agreement Within one (1) week from presentation to ERG | |
| <u>Final Draft Evaluability Assessment and Final Draft Evaluation Report</u> Refinement of the final draft with matrix of key inputs from the ERG and the peer reviews, with feedback | Within eighteen (18) weeks from start of the Firm agreement Within two (2) weeks from presentation to ERG | |

| | | |
|--|--|--|
| Final Evaluation Report with Management Response, communication plan, condensed versions & public presentation | Within twenty-four (24) weeks from the start of the Firm agreement | |
|--|--|--|

F. Key Performance Indicators and Service Level

1. Timely delivery of quality outputs for the evaluation according to the timetable.
2. Effective communication and collaboration with stakeholders of the study, including but not limited to the ERG and its members and implementing agencies subject to the case study.
3. Effective use of quantitative and qualitative research methodologies that are appropriate to the evaluation study, including introduction of innovative tools and techniques as well as identification/use of non-traditional sources of data.
4. Usefulness and relevance of the study findings and recommendations to the needs of the NEDA, DTI, and other stakeholders.

G. Governance and Accountability

1. The ERG of the MSME study is chaired by NEDA-Trade, Services and Industry Staff (TSIS) and composed of the NEDA-Monitoring and Evaluation Staff (MES) and composed of DTI-Bureau of MSME Development (BSMED), other DTI offices, and other relevant government offices and stakeholders, with the technical support of UNDP. The ERG shall provide overall direction, guidance, and input to the conduct of the study. The Firm shall be required to submit and present the evaluation team’s Reports to the ERG, through the UNDP Project Coordinator; attend meetings convened by the ERG on the study; and consider the inputs of the ERG and its members as indicated in Section E of this contract;
2. The Firm shall be directly supervised by the Project Coordinator of the NEDA-UNDP Strategic M&E Project, with whom all outputs shall be submitted and through whom all communications shall be coursed or copied. The Project Coordinator shall review and approve the outputs submitted by the Firm in consultation with NEDA and the ERG;
3. The Firm may be required to coordinate with the Director of NEDA-TSIS, Director of the NEDA- MES, and other relevant NEDA officials and staff; and the Senior Policy Advisor, the Institutions and Partnerships Outcome Lead, and other officials and staff of UNDP;
4. In conducting their research, data gathering, and fieldwork, the evaluation team shall coordinate with the NEDA, DTI, other relevant government agencies, directly or through UNDP. The NEDA and UNDP shall provide the necessary endorsements, including endorsement letters and calls, to the agencies to be covered by the research;
5. The Firm shall also report to/coordinate with the ERG and their members and shall take note of and act on their recommendations and suggestions unless these are not feasible or are otherwise disapproved by NEDA and UNDP.
6. The UNDP Project Team will provide the administrative and secretariat assistance to the ERG in carrying out its functions.

7. The Firm is expected to have its own work spaces, computers/laptops, and other facilities and equipment. Please note that any assets to be procured for this project (e.g. software, tools) will have to be handed over to UNDP once the project has been completed. List of these assets should be included in the financial proposal.

H. *Expected Duration of the Contract*

1. The Firm will be hired for six (6) months, with a tolerance of three (3) months, in accordance with the timetable in Section E above.
2. The target start of work date is 2 December 2019 and the end date of the contract is 1 June 2020. The contract may be terminated earlier if all the outputs have been submitted satisfactorily and accepted.

I. *Duty Station*

1. The Firm shall be based in the Philippines or have a representative office in the Philippines for the duration of the study. The Firm shall be required to travel to selected sites in the Philippines for fieldwork, data gathering, and consultations.
2. The research team of the Firm and its lead investigator/project manager may be asked to report physically to Manila and when physical participation in activities, such as consultations with stakeholders and ERG meetings, will be necessary.

J. *Professional Qualifications of the Successful Firm and its Key Personnel*

1. Proponents invited to this tender are from a pre-qualified list of M&E Firms with the following specific-thematic area of expertise/ qualifications:
 - a. Extensive experience in research in economic development, particularly entrepreneurship; governance, particularly government efficiency.
2. Proposers shall establish a specific evaluation team from its pool of specialists, complete with names and CVs (only CVs of additional team members that perform roles in support of the evaluation team, including but not limited to technical advisers, research assistants, field coordinators, among others, whose inclusion will be evaluated based on relevance and value- added to the project)

The Project Lead, Technical Adviser, and three (3) Evaluators shall meet the following relevant qualifications in addition to the already established requirements during the pre-qualification:

- a. Project Lead – shall perform the function of project manager/coordinator and/or lead evaluator/investigator as the proposer sees fit. The project lead shall be an incumbent employee of the Firm (i.e., officer, fellow, faculty member, etc.) who shall be the main point of contact of the Firm to UNDP, NEDA, and the ERG and its members. He/she shall regularly report progress to the stakeholders through UNDP on project progress.

The Project Lead shall ideally be sourced from the pool of staff or resources submitted by the firm during the pre-selection exercise, though not necessarily. He/she shall possess the following minimum qualifications:

- At least a Master's Degree in economics, political science, social science, public administration, business management, or other

relevant fields. A doctorate degree as well as specialized training in M&E, project management, etc. are advantageous;

- At least two (2) years of work or consultancy experience in the monitoring and evaluation of development programs and projects, with preference to those with demonstrated specialization/ experience in impact evaluations;
- Demonstrated knowledge of and experience in the application of various quantitative and qualitative research methodologies, with demonstrated specialization in either quantitative or qualitative research, or both.;
- Fluency in English required, and in Filipino desired.

- b. Technical Adviser – shall provide strategic guidance and intellectual leadership to the project through his/her expertise on MSME development, entrepreneurship, economic governance, and other relevant fields in the design and implementation of appropriate methodologies, tools, and techniques to the evaluation, as well as in the analysis of the data gathered and formulation of policy recommendations. The technical adviser is also expected to assure the quality of deliverables and engage strategic stakeholders.

He/she shall possess the following minimum qualifications:

- At least a Master's Degree in economics, political science, social science, public administration, management, or other relevant fields. A doctorate degree as well as specialized training in M&E, project management, etc. are advantageous;
- At least four (4) years of work or consultancy experience in policy research, monitoring and evaluation of programs particularly in economic development;
- Demonstrated knowledge of and experience in the application of various quantitative and qualitative research methodologies, specializing in either or both;
- Fluency in English required; and in Filipino and the vernacular preferred.

- c. Evaluators – shall support the Project Lead and the Technical Adviser in delivering components of the project. The minimum three (3) Evaluators to be tapped for the evaluation team may be incumbent employees of the institution, personnel seconded from other organizations, or consultants hired for the purpose.

The evaluators shall ideally be sourced from the pool of staff or resources submitted by the firm during the pre-selection exercise, though not necessarily. They shall each have the following minimum qualifications:

- At least a Bachelor's Degree in economics, political science, social science, public administration, business management, or other relevant fields. A higher degree as well as specialized training in M&E, project management, etc. are advantageous;
- At least two (2) years of work or consultancy experience in the monitoring and evaluation of development programs and projects, with preference to those with demonstrated specialization/ experience in evaluations. Having a higher degree removes this minimum requirement. Previous work in the public and/or development sector is advantageous;
- Fluency in English required, and in Filipino desired

It is preferred that the evaluators have their respective specializations that are relevant to the evaluation at hand.

K. Scope of Price Proposal and Schedule of Payments

1. The contract price shall be a **fixed output-based price** regardless of extension of the herein specific duration. Payments shall be made upon submission and acceptance of the outputs as specified in Part E. Acceptance of the outputs shall be based on how these meet evaluation quality standards and address stakeholder requirements.
2. The following components should be included, as a minimum, in the financial proposal:
 - a. Professional fees/salaries/honoraria of the evaluation team
 - b. Other professional fees and salaries
 - c. Travel, lodging, and allowances for field work
 - d. Communication
 - e. Workshops and meetings, including the Inception Workshop and associated costs
 - f. Materials, reproduction, subscriptions
 - g. Management and operational costs
 - h. Others as may be relevant to the scope of work – software, tools, etc.
3. *Please note that any assets to be procured for this project by the firm will have to be handed over to UNDP once the project has been completed. List of these assets should be included in the financial proposal.
4. The Firm shall receive payments based on the following schedule or another relevant schedule as proposed, but in no case shall the total contract be longer than nine (9) months:

| Period | Deliverables/ Outputs | Target Due from Start of Contract | Percentage of Lump-Sum Price |
|--------------|--|-----------------------------------|------------------------------|
| Inception | Inception Report <i>Refined and accepted</i> | Within 4 weeks | 10% |
| Draft Report | <u>Interim Draft Evaluability Assessment and Interim Draft Evaluation Report</u> | Within 12 weeks | 30% |
| Period | <u>Deliverables/ Outputs</u> | Target Due from Start of Contract | Percentage of Lump-Sum Price |
| | <u>Final Draft Evaluability Assessment and Final Draft Evaluation Report</u> | Within 18 weeks | 30% |
| Final report | <u>Final Report</u> | Within 24 weeks | 30% |

L. Criteria for Evaluation of the Offer

1. The selection process will follow a cumulative scoring of 70% technical and 30% financial.

2. The minimum passing score of the technical proposal shall be 70%. Technical proposals will be evaluated based on the following criteria and corresponding points. Only firms that obtained minimum technical score of 700 out of 1000 points will be included in the financial evaluation.
3. All firms that have been pre-qualified for the M&E roster will be evaluated based on the following:

| Summary Proposal TECHNICAL Evaluation | | Points Obtainable |
|--|---|--------------------------|
| 1 | Experience specific to the requirement | 210 |
| 2 | Proposed methodology, approach and implementation plan | 400 |
| 3 | Management structure and key personnel | 390 |
| Total | | 1000 |

| Section 1. Experience specific to the requirement | | Points Obtainable |
|--|---|--------------------------|
| 1 | Evidence of successfully completed economic development and governance works/contracts done in the past five years. (60 points for 1 project; 120 points for 2 projects, 180 points for 3 projects, 210 for 4 or more projects) | 210 |
| Total Section 1 | | 210 |

| Section 2. Relevance of methodology/ies to be used in establishing the outputs | | Points Obtainable |
|---|--|--------------------------|
| 2.1 | Understanding of the requirement: Have the important aspects of the task been addressed in sufficient detail? Are the different components of the project adequately weighted relative to one another? | 100 |
| 2.2 | Description of the Offeror's approach and methodology for meeting or exceeding the requirements of the Terms of Reference | 200 |
| 2.3 | Assessment of the implementation plan proposed including whether the activities are properly sequenced and if these are logical and realistic | 100 |
| Total Section 2 | | 400 |

| Section 3. Management Structure and Key Personnel | | Points obtainable |
|--|--|--------------------------|
| 3.2 | Qualifications of key personnel proposed | |
| 3.2 a | Project Lead | 120 |
| | At least a Master's Degree in economics, political science, social science, public administration, business management, or other relevant fields. <i>49 points for Master's degree, extra points for additional degree</i> | 60 |

| | | | |
|------------------------|---|----|------------|
| | At least two (2) years of work or consultancy experience in the monitoring and evaluation of development programs and projects, with preference to those with demonstrated experience in impact evaluations. <i>-49 points for 2 years' experience, extra points for additional years of experience specific to impact evaluations</i> | 60 | |
| | Technical Advisor | | 120 |
| 3.2 b | At least a Master's Degree in economics, political science, social science, public administration, management, or other relevant fields. A doctorate degree as well as specialized training in M&E, project management, etc. are advantageous <i>- 28 points for Master's degree, extra points for additional degree</i> | 40 | 120 |
| | At least four (4) years of work or consultancy experience in policy research, monitoring and evaluation of programs particularly in economic development – <i>28 points for 4 years' experience, extra points for additional years of experience economic development</i> | 40 | |
| | Demonstrated knowledge of and experience in the application of various quantitative and qualitative research methodologies, specializing in either or both <i>- 10 points for each study/ publication in the last five years that apply quantitative or qualitative research methodologies</i> | 40 | |
| 3.2 c | Evaluators (3) = 50pts X 3 evaluators | | 150 |
| | At least a Bachelor's Degree in economics, political science, social science, public administration, business management, or other relevant fields. <i>- 18 points for bachelor's degree, extra points for additional degree</i> | 25 | |
| | At least two (2) years of work or consultancy experience in the monitoring and evaluation of development programs and projects, with preference to those with demonstrated specialization/ experience in evaluations. Having a higher degree removes this minimum requirement. Previous work in the public and/or development sector is advantageous <i>– 18 points for 2 years' experience, extra points for additional years of experience in the public and/or development sector</i> | 25 | |
| Total Section 3 | | | 390 |

4. In the combined scoring, the Financial Proposal will be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.

M. Annexes to the TOR

1. Annex 1: MSME Development Plan
2. Annex 2: Evaluation Plan for the MSME Development Plan

Please also refer to the National Evaluation Policy Framework ([hyperlink here](#)) and the UNDP Handbook on Planning, Monitoring, and Evaluating for Development Results ([hyperlink here](#))

Annex B. List of Documents Reviewed

| Program | Documents |
|---------|---|
| KMME | <ul style="list-style-type: none"> • Final 2019 National Calendar of KMME as of 03122019 • Negosyo Angat Lahat! • DTI Annual Report 2018 • Kapatid Mentor Me Program (KMMP): Taking the Philippine Agrineurship to the Next Level by Mr. Jose Alvaro Severino “Jas” Nito, Go Negosyo |
| P3 | <ul style="list-style-type: none"> • Committee Report No. 683 submitted by the Committee on Small Business and Entrepreneurship Development and the Committee on Appropriations on Mar 21, 2018 Re: House Bill No. 7446 Recommending its approval in substitution of House Bills Numbered 5158 and 5920 Sponsors: Representatives Peter “Sr. Pedro” M. Umbria, Karlo Alexei B. Nograles, Angelina “Helen”D.L. Tan, M.D. and Jocelyn S. Limkaichong • Pondo sa Pagbabago at Pag-asenso (P3): Expanding Microfinance. DTI • House Bill No. 1069. An act providing a socialized microfinancing program for micro enterprises thereby promoting entrepreneurship introduced by representatives Jocelyn S. Limkaichong and Christian S. Unabia • National Microfinance Institutions as of October 2019 • Local Microfinance Institutions as of October 2019 • Strategy for Accelerated P3 Implementation |
| NC | <ul style="list-style-type: none"> • Established Negosyo Centers as of May 31, 2020 • 2019 Negosyo Center Impact Assessment – Conclusions by Lorenzo F. Templonuevo, PhD • 2019 Negosyo Center Impact Assessment – Capacity Building of NC Regional Focal Persons on Data Collection (21 June 2019, Makati City) • 2019 Negosyo Center Impact Assessment – Capacity Building of NC Regional Focal Persons 2: Validating and Reflecting on Findings and Conclusions (5 Sep 2019, Makati City) • 2019 Negosyo Center Impact Assessment – Paradigm in a Flash by Lorenzo F. Templonuevo, PhD |
| SSF | <ul style="list-style-type: none"> • Joint Circular No. 2014-01. Guidelines on the Implementation of the Shared Services Facilities (SSF) under the FY 2014 Budget of the Department of Trade and Industry • Preliminary Assessment of the Shared Service Facilities. Erlinda M. Medalla, Fatima del Prado, Melalyn C. Mantaring, and Angelica B. Maddawin. Discussion Paper Series No. 2016-08 |

| Program | Documents |
|---------|--|
| OTOP | <ul style="list-style-type: none"> • DTI One Town One Product (OTOP) Philippines • Economic Promotion through One-Town One Product. Dr. Eric S. Parilla. • One Town One Product. Japan External Trade Organization (JETRO) Manila. March-April 2009 Volume 10 number 3 |
| SETUP | <ul style="list-style-type: none"> • 2018 SETUP Projects • DOST Energy Audit and SETUP Program for MSMEs by Julius Caesar V. Sicat, PhD • Effects of Small Enterprises Technology Upgrading Program of the Department of Science and Technology – Philippines on the Productivity of Beneficiary Enterprises in CALABARZON by Jan Danica S. Asma • Outcome 2 #SETUP Empowering MSMEs for World-Class Products. Science and Technology Information Institute, Department of Science and Technology • Project Monitoring and Evaluation System for SETUP. Venus D. Retuya and Concepcion L. Khan • DOST Case Studies of SETUP • DOST's Program for small business called out for wasting millions by Lian Buan (Rappler, July 22, 2019) • Impact Assessment of the Small Enterprises Technology Upgrading Program of the Department of Science and Technology by DAP/DOST (2019) |

Annex C. Survey Instruments

Annex C1. Survey Instrument for KMME

PSA Approval No. NEDA-2027-03 Expires on 31 August 2021

NEDA-MSME Form 3

Questionnaire No: KMME_____

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support: Kapatid Mentor ME

This study aims to assess the evaluability of Kapatid Mentor ME (KMME) program implemented by the Department of Trade and Industry. KMME is one of the flagship programs of the MSME Development Plans and Priority Programs under the MSME Development Plan. Our research team is conducting an evaluability assessment of the KMME to determine if there are concrete benefits that can be derived from it, if the objectives are being attained and the processes are being followed, and if adjustments are needed in the program implementation. This assessment shall also determine the relevance, sustainability and acceptability by the stakeholders, and their perceptions about the program.

This researcher/evaluator has no involvement in the KMME. In addressing the objectives of this evaluability assessment, data about the project is being gathered from different sources. You, as KMME beneficiary, are one of sources. In particular, you are the ultimate determinant of the benefits to be derived from the project.

There is no right or wrong answer. Our only request is your sincere and honest response to every question asked. Your name and contact number will be recorded in case a follow through is needed. Rest assured that your identity and answers will be kept confidential and secured in compliance with the Data Privacy Act of 2012 (RA 10173). All the information that we will be collecting will be used solely for the purpose of the study.

Thank you very much.

BIEN A. GANAPIN
Director
Officer-in-Charge
Trade, Services, and Industry Staff
National Economic and
Development Authority

Province: _____

Date: _____

| I. PROFILE OF RESPONDENT | |
|------------------------------------|---|
| Name (Last Name, First Name, M.I.) | |
| Contact Number | |
| Age as of last birthday | |
| Sex | [<input type="checkbox"/>] Male [<input type="checkbox"/>] Female |
| Civil Status | [<input type="checkbox"/>] Single/Never Married [<input type="checkbox"/>] Separated |
| | [<input type="checkbox"/>] Married [<input type="checkbox"/>] Annulled |
| | [<input type="checkbox"/>] Common-law/Live-in [<input type="checkbox"/>] Unknown |
| | [<input type="checkbox"/>] Divorced |

| | |
|---|--|
| Highest Educational Attainment | <input type="checkbox"/> 0 - Early Childhood Education <input type="checkbox"/> 1 - Primary Education <input type="checkbox"/> 2 - Lower Secondary Education <input type="checkbox"/> 3 - Upper Secondary Education <input type="checkbox"/> 4 - Post-Secondary Non-Tertiary Education <input type="checkbox"/> 5 - Short-Cycle Tertiary Education or Equivalent <input type="checkbox"/> 6 - Bachelor Level Education or Equivalent <input type="checkbox"/> 7 - Master Level Education or Equivalent <input type="checkbox"/> 8 - Doctoral Level Education or Equivalent |
| II. ABOUT THE ENTERPRISE | |
| Registered Name (Insert the business name of the enterprise. If there is no business name, enter the name of the owner with surname first followed by the given name and the business activity) | |
| Years of operation | |
| Category (based on asset size) | <input type="checkbox"/> Micro (less than PHP3M) <input type="checkbox"/> Small (PHP 3-15M) <input type="checkbox"/> Medium (PHP 15-100M) |
| Nature of enterprise | <input type="checkbox"/> Agriculture, forestry and fishing <input type="checkbox"/> Mining and quarrying <input type="checkbox"/> Manufacturing <input type="checkbox"/> Electricity, gas, steam and air-conditioning supply <input type="checkbox"/> Water supply; sewerage, waste management and remediation activities <input type="checkbox"/> Construction <input type="checkbox"/> Wholesale and retail; repair of motor vehicles and motorcycles <input type="checkbox"/> Transportation and storage <input type="checkbox"/> Accommodation and food service activities <input type="checkbox"/> Information and communication <input type="checkbox"/> Financial and insurance activities <input type="checkbox"/> Real estate activities <input type="checkbox"/> Professional, scientific and technical activities <input type="checkbox"/> Administrative and support service activities <input type="checkbox"/> Public administration and defense; compulsory social security <input type="checkbox"/> Education <input type="checkbox"/> Human health and social work activities <input type="checkbox"/> Arts, entertainment and recreation <input type="checkbox"/> Other service activities <input type="checkbox"/> Activities of households as employers; undifferentiated goods-and-services-producing activities of households for own use <input type="checkbox"/> Activities of extraterritorial organizations and bodies |
| Source of capital | <input type="checkbox"/> Own capital <input type="checkbox"/> Borrowed from family/relatives <input type="checkbox"/> Borrowed from informal sources <input type="checkbox"/> Borrowed from formal sources (Please specify _____) <input type="checkbox"/> Others, please specify _____ |
| Amount of capital (PhP) | |
| Number of employees | Part-time Male _____ Part-time Female _____ Full time Male _____ Full-time Female _____ |
| Number of branches | |
| III. PRODUCTS AND SERVICES | |
| What type of products and/or services do you offer? <input type="checkbox"/> Agricultural/Marine/Aquaculture (specify) _____ <input type="checkbox"/> Food Processing (specify) _____ <input type="checkbox"/> Gifts, Decors, Handicrafts (specify) _____ <input type="checkbox"/> Furniture (specify) _____ <input type="checkbox"/> Metals and Engineering (specify) _____ <input type="checkbox"/> ICT (specify) _____ <input type="checkbox"/> Pharmaceuticals, Health and Wellness Products (specify) _____ <input type="checkbox"/> Halal Products and Services (specify) _____ | |

| | |
|--|--|
| [] Others (please specify): _____ | |
| Major markets | Local _____ |
| | International _____ |
| Volume of sales per month (before pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Volume of sales per month (during pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Revenue per month before the pandemic (PhP) | |
| Revenue during the previous month of operation (PhP) | |

IV. PROGRAM PARTICIPATION

| | |
|--|--|
| What module did you attend? (Mark all that applies) <input type="checkbox"/> The Entrepreneur <input type="checkbox"/> The Enterprise, all topics <input type="checkbox"/> The Enterprise, some topics only <input type="checkbox"/> Sustaining the enterprise, all topics <input type="checkbox"/> Sustaining the enterprise, some topics only <input type="checkbox"/> Others, specify _____ | |
| Did you attend the graduation? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| If not all topics attended, state reason | |
| Where did you get an information about the program <i>Kapatid Mentor ME</i> ? (Mark all that applies) <input type="checkbox"/> Relatives/ family members <input type="checkbox"/> Government officials/ workers <input type="checkbox"/> Friends/ acquaintance <input type="checkbox"/> Printed materials (e.g. posters, flyers, leaflets) <input type="checkbox"/> Colleagues/ workmates <input type="checkbox"/> Social media announcements <input type="checkbox"/> Others _____ | |
| What is your motivation for joining the program <i>Kapatid Mentor ME</i> ? (Mark all that applies) <input type="checkbox"/> New knowledge in business operations <input type="checkbox"/> Refresher course in technical operations <input type="checkbox"/> New knowledge in technical operations <input type="checkbox"/> Networking <input type="checkbox"/> Refresher course in management <input type="checkbox"/> Business opportunity <input type="checkbox"/> Others _____ | |
| How were you selected as program beneficiary? (Mark all that applies) <input type="checkbox"/> By application <input type="checkbox"/> Others, please specify _____ <input type="checkbox"/> By recruitment <input type="checkbox"/> By referral | |
| What are the requirements in joining the program <i>Kapatid Mentor ME</i> ? (Mark all that applies) <input type="checkbox"/> Number of years in business. Specify _____ <input type="checkbox"/> Size of business (asset) <input type="checkbox"/> Registrations/Business Permits <input type="checkbox"/> Others, specify _____ | |
| Ease of meeting the requirements | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| What are the steps in applying for the program? 1. _____ 4. 2. _____ 5. 3. _____ | |
| How long did it take to apply for the program? | |

| | | | | | |
|--|---|------------------------------------|-----------------------------------|------------------------------------|---|
| Ease of processing the program application | <input type="checkbox"/> Very Easy | <input type="checkbox"/> Easy | <input type="checkbox"/> Neutral | <input type="checkbox"/> Difficult | <input type="checkbox"/> Very Difficult |
| V. RELEVANCE | | | | | |
| What challenges have you encountered in the operation of your business before joining the program? (Mark all that applies) | | | | | |
| <u>Challenges</u> | | | <u>Addressed by the Program</u> | | |
| <input type="checkbox"/> Financial concerns | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Difficulty in business registration | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Technical knowledge | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Issues on the location of business | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Supply of materials necessary for production | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Competition | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Lack of knowledge on business management | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| <input type="checkbox"/> Others (please specify): _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| Overall, did the trainings meet your expectations? | <input type="checkbox"/> Yes | <input type="checkbox"/> Partially | <input type="checkbox"/> No | | |
| Did the training modules meet your expectations? | | | | | |
| <input type="checkbox"/> The Entrepreneur | <input type="checkbox"/> Yes | <input type="checkbox"/> Partially | <input type="checkbox"/> No | | |
| <input type="checkbox"/> The Enterprise, all topics | <input type="checkbox"/> Yes | <input type="checkbox"/> Partially | <input type="checkbox"/> No | | |
| <input type="checkbox"/> The Enterprise, some topics only | <input type="checkbox"/> Yes | <input type="checkbox"/> Partially | <input type="checkbox"/> No | | |
| <input type="checkbox"/> Sustaining the enterprise, all topics | <input type="checkbox"/> Yes | <input type="checkbox"/> Partially | <input type="checkbox"/> No | | |
| <input type="checkbox"/> Sustaining the enterprise, some topics only | <input type="checkbox"/> Yes | <input type="checkbox"/> Partially | <input type="checkbox"/> No | | |
| <input type="checkbox"/> Others, specify _____ | | | | | |
| After your involvement with the program, is/are there: | | | | | |
| 1. A significant increase in income? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, by how much (in percent)? | | |
| 2. Additional jobs created? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, how many? | | |
| 3. New markets explored? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, please specify: | | |
| 4. An expansion in your business operation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, by how much? | | |
| 5. Improved competitiveness | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| VI. SUSTAINABILITY | | | | | |
| Are you being monitored by the program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| If yes, | | | | | |
| 1. By whom? _____ | | | | | |
| 2. How often? <input type="checkbox"/> Daily <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly | | | | | |
| <input type="checkbox"/> Weekly <input type="checkbox"/> Quarterly <input type="checkbox"/> Others (please specify): _____ | | | | | |
| What is being required from you as beneficiary/participant of the program? (Mark all that applies) | | | | | |
| <input type="checkbox"/> Data | (Specific details: _____) | | | | |
| <input type="checkbox"/> Documentations | (Specific details: _____) | | | | |
| <input type="checkbox"/> Payment | (Specific details: _____) | | | | |
| <input type="checkbox"/> Others | (Specific details: _____) | | | | |
| Were you able to form networks as a result of participating with the program? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| If yes, to which of the following entities were you able to reach out? (Mark all that applies) | | | | | |
| <input type="checkbox"/> Local Government Units | <input type="checkbox"/> Financial institutions | | | | |
| <input type="checkbox"/> Assistance providers | <input type="checkbox"/> Input markets | | | | |

Output markets Other (please specify):

If given the chance, will you avail of the program? Yes No
 Reason

Are there follow-up activities after the training/graduation? Yes No
 If yes, please specify

Will you recommend the program to other SMEs? Yes No
 Reason

VII. EFFICIENCY

Did the training help you achieve the following?

1. Lower cost of production Yes No If yes, by how much?

2. Shorter production process Yes No If yes, by how much?

3. Improved quality of products and/or services Yes No

4. Improved labor efficiency Yes No

5. Improved efficiency in management operations Yes No

VIII. PERCEPTION

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
| A. Relevance | | | | | |
| 1. Mentor ME help can help SMEs in improving business operations. | | | | | |
| 2. Mentor ME enabled me to improve my management capability. | | | | | |
| 3. Mentor ME is relevant to my business. | | | | | |
| B. Efficiency | | | | | |
| 1. Mentor ME enabled me to network with important business contacts and stakeholders. | | | | | |
| 2. The requirements of the program is easy to comply. | | | | | |
| C. Effectiveness | | | | | |
| 1. Mentor ME improved my management capability. | | | | | |
| 2. The knowledge gained from Mentor ME helped my business grow. | | | | | |
| D. Sustainability | | | | | |
| 1. I will avail of other trainings from Mentor ME again. | | | | | |
| 2. The program is being monitored regularly. | | | | | |
| 3. I will apply the knowledge gained from the program. | | | | | |
| 4. I will recommend the program to other SMEs. | | | | | |

IX. OPINIONS ON GAPS AND RECOMMENDATIONS

In general, what are your comments on the implementation of the program? Please elaborate.

What are your recommendations to further improve the program?

PANDEMIC RESILIENCE

How are you affected by the pandemic?

What lessons have you learned from the situation?

How did you cope up with the challenges brought by the pandemic?

Annex C2. Survey Instrument for P3

PSA Approval No. NEDA-2027-02 Expires on 31 August 2021

NEDA-MSME Form 2

Questionnaire No: P3 _____

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support

This study aims to assess the evaluability of Pondo sa Pagbabago at Pag-Asenso (P3) program implemented by the Department of Trade and Industry. P3 is one of the flagship programs of the MSME Development Plans and Priority Programs under the MSME Development Plan. Our research team is conducting an evaluability assessment of the P3 to determine if there are concrete benefits that can be derived from it, if the objectives are being attained and the processes are being followed, and if adjustments are needed in the program implementation. This assessment shall also determine the relevance, sustainability and acceptability by the stakeholders, and their perceptions about the program.

This researcher/evaluator has no involvement in the P3. In addressing the objectives of this evaluability assessment, data about the project is being gathered from different sources. You, as P3 beneficiary, are one of sources. In particular, you are the ultimate determinant of the benefits to be derived from the project.

There is no right or wrong answer. Our only request is your sincere and honest response to every question asked. Your name and contact number will be recorded in case a follow through is needed. Rest assured that your identity and answers will be kept confidential and secured in compliance with the Data Privacy Act of 2012 (RA 10173). All the information that we will be collecting will be used solely for the purpose of the study.

Thank you very much.

BIEN A. GANAPIN
 Director
 Officer-in-Charge
 Trade, Services, and Industry Staff
 National Economic and
 Development Authority

Province: _____

Date: _____

| I. PROFILE OF RESPONDENT | |
|------------------------------------|--|
| Name (Last Name, First Name, M.I.) | |
| Contact Number | |
| Age as of last birthday | |
| Sex | <input type="checkbox"/> Male <input type="checkbox"/> Female |
| Civil Status | <input type="checkbox"/> Single/Never Married <input type="checkbox"/> Separated |
| | <input type="checkbox"/> Married <input type="checkbox"/> Annulled |
| | <input type="checkbox"/> Common-law/Live-in <input type="checkbox"/> Unknown |
| | <input type="checkbox"/> Divorced |
| Highest Educational Attainment | <input type="checkbox"/> 0 - Early Childhood Education |
| | <input type="checkbox"/> 1 - Primary Education |
| | <input type="checkbox"/> 2 - Lower Secondary Education |
| | <input type="checkbox"/> 3 - Upper Secondary Education |

| | |
|---|--|
| | <input type="checkbox"/> 4 - Post-Secondary Non-Tertiary Education <input type="checkbox"/> 5 - Short-Cycle Tertiary Education or Equivalent <input type="checkbox"/> 6 - Bachelor Level Education or Equivalent <input type="checkbox"/> 7 - Master Level Education or Equivalent <input type="checkbox"/> 8 - Doctoral Level Education or Equivalent |
| II. ABOUT THE ENTERPRISE | |
| Registered Name (Insert the business name of the enterprise. If there is no business name, enter the name of the owner with surname first followed by the given name and the business activity) | |
| Years of operation | |
| Category (based on asset size) | <input type="checkbox"/> Micro (less than PHP3M) <input type="checkbox"/> Small (PHP 3-15M) <input type="checkbox"/> Medium (PHP 15-100M) |
| Nature of enterprise | <input type="checkbox"/> Agriculture, forestry and fishing <input type="checkbox"/> Mining and quarrying <input type="checkbox"/> Manufacturing <input type="checkbox"/> Electricity, gas, steam and air-conditioning supply <input type="checkbox"/> Water supply; sewerage, waste management and remediation activities <input type="checkbox"/> Construction <input type="checkbox"/> Wholesale and retail; repair of motor vehicles and motorcycles <input type="checkbox"/> Transportation and storage <input type="checkbox"/> Accommodation and food service activities <input type="checkbox"/> Information and communication <input type="checkbox"/> Financial and insurance activities <input type="checkbox"/> Real estate activities <input type="checkbox"/> Professional, scientific and technical activities <input type="checkbox"/> Administrative and support service activities <input type="checkbox"/> Public administration and defense; compulsory social security <input type="checkbox"/> Education <input type="checkbox"/> Human health and social work activities <input type="checkbox"/> Arts, entertainment and recreation <input type="checkbox"/> Other service activities <input type="checkbox"/> Activities of households as employers; undifferentiated goods-and-services-producing activities of households for own use <input type="checkbox"/> Activities of extraterritorial organizations and bodies |
| Source of capital | <input type="checkbox"/> Own capital <input type="checkbox"/> Borrowed from family/relatives <input type="checkbox"/> Borrowed from informal sources <input type="checkbox"/> Borrowed from formal sources (Please specify _____) <input type="checkbox"/> Others, please specify _____ |
| Amount of capital (PhP) | |
| Number of employees | Part-time Male _____ Part-time Female _____ |
| | Full time Male _____ Full-time Female _____ |
| Number of branches | |
| III. PRODUCTS AND SERVICES | |
| What type of products and/or services do you offer? <input type="checkbox"/> Agricultural please specify: _____ <input type="checkbox"/> Manufacturing please specify: _____ <input type="checkbox"/> Machinery <input type="checkbox"/> Others (please specify): _____ | |
| Major markets | Local _____ |
| | International _____ |
| Volume of sales per month (before pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Volume of sales per month (during pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |

| | |
|--|--|
| Revenue per month before the pandemic (PhP) | |
| Revenue during the previous month of operation (PhP) | |

IV. PROGRAM PARTICIPATION

| | |
|---|--|
| Where did you get an information about the program <i>Pondo sa Pagbabago at Pag-asenso?</i> (Mark all that applies) | |
| <input type="checkbox"/> Relatives/ family members | <input type="checkbox"/> Government officials/ workers |
| <input type="checkbox"/> Friends/ acquaintance | <input type="checkbox"/> Printed materials (e.g. posters, flyers, leaflets) |
| <input type="checkbox"/> Colleagues/ workmates | <input type="checkbox"/> Social media announcements |
| <input type="checkbox"/> Others, please specify _____ | |
| What is your motivation for joining the program <i>Pondo sa Pagbabago at Pag-asenso?</i> (Mark all that applies) | |
| <input type="checkbox"/> Source of additional capital | <input type="checkbox"/> Ease of requirements and process |
| <input type="checkbox"/> Main source of capital | <input type="checkbox"/> Fast approval of application |
| <input type="checkbox"/> Low interest offered | <input type="checkbox"/> Fast release of loan |
| <input type="checkbox"/> Others, please specify _____ | |
| How were you selected as program beneficiary? (Mark all that applies) | |
| <input type="checkbox"/> By application | <input type="checkbox"/> Others, please specify _____ |
| <input type="checkbox"/> By recruitment | |
| <input type="checkbox"/> By referral | |
| What are the requirements in joining the program <i>Pondo sa Pagbabago at Pag-asenso?</i> (Mark all that applies) | |
| <input type="checkbox"/> Number of years in business. Specify _____ | <input type="checkbox"/> Size of business (asset) |
| <input type="checkbox"/> Starter kit from MFI/NGO | <input type="checkbox"/> Others, specify _____ |
| <input type="checkbox"/> Registrations/Business Permits | |
| Ease of meeting the requirements | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| What are the steps in applying for the program? | |
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | |
| How long did it take to apply for the program? | |
| How long did it take to for the loan to be released? | |
| Ease of processing the program application | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |

V. RELEVANCE

| | | |
|--|--|--|
| What challenges have you encountered in the operation of your business before joining the program? (Mark all that applies) | | |
| <u>Challenges</u> | <u>Addressed or not by the Program</u> | |
| <input type="checkbox"/> Financial concerns | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Difficulty in business registration | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Issues on the location of business | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Supply of materials necessary for production | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Competition | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Others (please specify): _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| After your involvement with the program, is/are there: | | |
| 1. A significant increase in income? | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much (in percent)? _____ |
| 2. Additional jobs created? | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, how many? _____ |

| 3. New markets explored? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, please specify: | | |
|--|--|-----------------------------|-------------------------------------|-------|----------------|
| 4. An expansion in your business operation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, by how much? | | |
| 5. Improved competitiveness | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| VI. SUSTAINABILITY | | | | | |
| Are there capacity building activities provided by the program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| Are you being monitored by the program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| If yes, | | | | | |
| 1. By whom? _____ | | | | | |
| 2. How often? <input type="checkbox"/> Daily <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly | | | | | |
| <input type="checkbox"/> Weekly <input type="checkbox"/> Quarterly <input type="checkbox"/> Others (please specify): | | | | | |
| _____ | | | | | |
| What is being required from you as beneficiary/participant of the program? (Mark all that applies) | | | | | |
| <input type="checkbox"/> Data | (Specific details: _____) | | | | |
| <input type="checkbox"/> Documentations | (Specific details: _____) | | | | |
| <input type="checkbox"/> Payment | (Specific details: _____) | | | | |
| <input type="checkbox"/> Others | (Specific details: _____) | | | | |
| Were you able to form networks as a result of participating with the program? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| If yes, to which of the following entities were you able to reach out? (Mark all that applies) | | | | | |
| <input type="checkbox"/> Local Government Units | <input type="checkbox"/> Financial institutions | | | | |
| <input type="checkbox"/> Assistance providers | <input type="checkbox"/> Other (please specify): | | | | |
| _____ | | | | | |
| <input type="checkbox"/> Inputs and output markets | | | | | |
| If given the chance, will you again avail of the program <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| Reason | | | | | |
| Will you recommend the program to other SMEs? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| Reason | | | | | |
| VII. EFFICIENCY | | | | | |
| Loan details | Under P3 | Before P3 | Other source (simultaneous with P3) | | |
| Source (specify MFI) | | | | | |
| Amount (PhP) | | | | | |
| Duration (mm/yyyy to mm/yyyy) | | | | | |
| Interest Rate per month (%) | | | | | |
| Amortization (PhP) | | | | | |
| Was the loan able to help you achieve the following: | | | | | |
| 1. Lower cost of production | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, by how much? | | |
| _____ | | | | | |
| 2. Shorter production process | <input type="checkbox"/> Yes | <input type="checkbox"/> No | If yes, by how much? | | |
| _____ | | | | | |
| 3. Improved quality of products and/or services | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| 4. Improved labor efficiency | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| 5. Improved efficiency in management operations | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | |
| VIII. PERCEPTION | | | | | |
| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| E. Relevance | | | | | |
| 5. P3 can help SMEs in improving business | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| operations. | | | | | |
| 6. P3 is relevant to my business. | | | | | |
| 3. The P3 program is important source of capital. | | | | | |
| F. Efficiency | | | | | |
| 2. P3 provided my business access to capital with affordable interest rates. | | | | | |
| 2. The requirements of the program is easy to comply. | | | | | |
| G. Effectiveness | | | | | |
| 2. The capital I obtained from P3 has helped my business grow. | | | | | |
| 3. The loan I obtained from P3 has helped me avoid borrowing from lenders with usurious rates. | | | | | |
| H. Sustainability | | | | | |
| 2. I will avail of loans from P3 again. | | | | | |
| 2. The program is being monitored regularly. | | | | | |
| 3. I will recommend the program to other SMEs. | | | | | |

IX. OPINIONS ON GAPS AND RECOMMENDATIONS

In general, what are your comments on the implementation of the program? Please elaborate.

What are your recommendations to further improve the program?

X. PANDEMIC RESILIENCE

How are you affected by the pandemic?

What lessons have you learned from the situation?

How did you cope up with the challenges brought by the pandemic?

NEDA-MSME Form 1

Questionnaire No: NC _____

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support: Negosyo Center

This study aims to assess the evaluability of Negosyo Center program implemented by the Department of Trade and Industry. Negosyo Center is one of the flagship programs of the MSME Development Plans and Priority Programs under the MSME Development Plan. Our research team is conducting an evaluability assessment of the Negosyo Center to determine if there are concrete benefits that can be derived from it, if the objectives are being attained and the processes are being followed, and if adjustments are needed in the program implementation. This assessment shall also determine the relevance, sustainability and acceptability by the stakeholders, and their perceptions about the program.

This researcher/evaluator has no involvement in the Negosyo Center. In addressing the objectives of this evaluability assessment, data about the project is being gathered from different sources. You, as Negosyo Center beneficiary, are one of sources. In particular, you are the ultimate determinant of the benefits to be derived from the project.

There is no right or wrong answer. Our only request is your sincere and honest response to every question asked. Your name and contact number will be recorded in case a follow through is needed. Rest assured that your identity and answers will be kept confidential and secured in compliance with the Data Privacy Act of 2012 (RA 10173). All the information that we will be collecting will be used solely for the purpose of the study.

Thank you very much.

BIEN A. GANAPIN
 Director
 Officer-in-Charge
 Trade, Services, and Industry Staff
 National Economic and
 Development Authority

Province: _____

Date: _____

| I. PROFILE OF RESPONDENT | |
|------------------------------------|---|
| Name (Last Name, First Name, M.I.) | |
| Contact Number | |
| Age as of last birthday | |
| Sex | <input type="checkbox"/> Male <input type="checkbox"/> Female |
| Civil Status | <input type="checkbox"/> Single/Never Married <input type="checkbox"/> Separated <input type="checkbox"/> Married <input type="checkbox"/> Annulled <input type="checkbox"/> Common-law/Live-in <input type="checkbox"/> Unknown <input type="checkbox"/> Divorced |

| | |
|---|--|
| Highest Educational Attainment | <input type="checkbox"/> 0 - Early Childhood Education <input type="checkbox"/> 1 - Primary Education <input type="checkbox"/> 2 - Lower Secondary Education <input type="checkbox"/> 3 - Upper Secondary Education <input type="checkbox"/> 4 - Post-Secondary Non-Tertiary Education <input type="checkbox"/> 5 - Short-Cycle Tertiary Education or Equivalent <input type="checkbox"/> 6 - Bachelor Level Education or Equivalent <input type="checkbox"/> 7 - Master Level Education or Equivalent <input type="checkbox"/> 8 - Doctoral Level Education or Equivalent |
| II. ABOUT THE ENTERPRISE | |
| Registered Name (Insert the business name of the enterprise. If there is no business name, enter the name of the owner with surname first followed by the given name and the business activity) | |
| Years of operation | |
| Category (based on asset size) | <input type="checkbox"/> Micro (less than PHP3M) <input type="checkbox"/> Small (PHP 3-15M) <input type="checkbox"/> Medium (PHP 15-100M) |
| Nature of enterprise | <input type="checkbox"/> Agriculture, forestry and fishing <input type="checkbox"/> Mining and quarrying <input type="checkbox"/> Manufacturing <input type="checkbox"/> Electricity, gas, steam and air-conditioning supply <input type="checkbox"/> Water supply; sewerage, waste management and remediation activities <input type="checkbox"/> Construction <input type="checkbox"/> Wholesale and retail; repair of motor vehicles and motorcycles <input type="checkbox"/> Transportation and storage <input type="checkbox"/> Accommodation and food service activities <input type="checkbox"/> Information and communication <input type="checkbox"/> Financial and insurance activities <input type="checkbox"/> Real estate activities <input type="checkbox"/> Professional, scientific and technical activities <input type="checkbox"/> Administrative and support service activities <input type="checkbox"/> Public administration and defense; compulsory social security <input type="checkbox"/> Education <input type="checkbox"/> Human health and social work activities <input type="checkbox"/> Arts, entertainment and recreation <input type="checkbox"/> Other service activities <input type="checkbox"/> Activities of households as employers; undifferentiated goods-and-services-producing activities of households for own use <input type="checkbox"/> Activities of extraterritorial organizations and bodies |
| Source of capital | <input type="checkbox"/> Own capital <input type="checkbox"/> Borrowed from family/relatives <input type="checkbox"/> Borrowed from informal sources <input type="checkbox"/> Borrowed from formal sources (Please specify _____) <input type="checkbox"/> Others, please specify _____ |
| Amount of capital (PhP) | |
| Number of employees | Part-time Male _____ Part-time Female _____ |
| | Full time Male _____ Full-time Female _____ |
| Number of branches | |
| III. PRODUCTS AND SERVICES | |
| What type of products and/or services do you offer? <input type="checkbox"/> Agricultural/Marine/Aquaculture (specify) _____ <input type="checkbox"/> Food Processing (specify) _____ <input type="checkbox"/> Gifts, Decors, Handicrafts (specify) _____ <input type="checkbox"/> Furniture (specify) _____ <input type="checkbox"/> Metals and Engineering (specify) _____ <input type="checkbox"/> ICT (specify) _____ <input type="checkbox"/> Pharmaceuticals, Health and Wellness Products (specify) _____ | |

| | |
|---|--|
| <input type="checkbox"/> Halal Products and Services (specify) _____ <input type="checkbox"/> Others (please specify): _____ | |
| Major markets | Local _____ |
| | International _____ |
| Volume of sales per month (before pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Volume of sales per month (during pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Revenue per month before the pandemic (PhP) | |
| Revenue during the previous month of operation (PhP) | |

IV. PROGRAM PARTICIPATION

Where did you get information about the program Negosyo Center? (Mark all that applies)

- | | |
|--|---|
| <input type="checkbox"/> Relatives/ family members | <input type="checkbox"/> Government officials/ workers |
| <input type="checkbox"/> Friends/ acquaintance | <input type="checkbox"/> Printed materials (e.g. posters, flyers, leaflets) |
| <input type="checkbox"/> Colleagues/ workmates | <input type="checkbox"/> Social media announcements. |
| <input type="checkbox"/> Others, please specify: _____ | |

What is your motivation for joining the program Negosyo Center? (Mark all that applies)

- | | |
|---|--|
| <input type="checkbox"/> Assistance in processing business permits and documents | <input type="checkbox"/> Market information |
| <input type="checkbox"/> New knowledge in business operations | <input type="checkbox"/> Networking |
| <input type="checkbox"/> New knowledge in technical operations | <input type="checkbox"/> Business opportunity |
| <input type="checkbox"/> Refresher course in management | <input type="checkbox"/> Trade promotion (trade fares) |
| <input type="checkbox"/> Refresher course in technical operations | <input type="checkbox"/> Financing facilitation |
| <input type="checkbox"/> Product development | <input type="checkbox"/> Investment promotion |
| <input type="checkbox"/> Access to trainings (i.e. production, management, marketing, etc.) | |
| <input type="checkbox"/> Others, please specify _____ | |

Assistance provided to the firm (Mark all that applies)

- | |
|--|
| <input type="checkbox"/> Business advisory |
| <input type="checkbox"/> Assistance/facilitation in business registration |
| <input type="checkbox"/> Product development |
| <input type="checkbox"/> Access to market |
| <input type="checkbox"/> Access to finance |
| <input type="checkbox"/> Investment promotion |
| <input type="checkbox"/> Capacity building trough trainings/seminars/skills enhancement. |
| Identify key trainings provided: _____ |
| <input type="checkbox"/> Packaging and labelling |
| <input type="checkbox"/> Information systems |
| <input type="checkbox"/> Promotional activities |
| <input type="checkbox"/> Market linkages/trade promotion (e.g. finding exhibitors) |
| <input type="checkbox"/> Others, please specify: _____ |

How were you selected as program beneficiary? (Mark all that applies)

- | | |
|---|--|
| <input type="checkbox"/> By application | <input type="checkbox"/> By referral |
| <input type="checkbox"/> By recruitment | <input type="checkbox"/> Others, specify _____ |

What are the requirements in joining the program? (Mark all that applies)

- | |
|---|
| <input type="checkbox"/> Willing to apply technological improvements in existing operation |
| <input type="checkbox"/> Certification of Business Registrations/Permits from DTI, SEC, CDA, etc. |
| Please identify other registration certifying body, if any: _____ |
| <input type="checkbox"/> Audited Financial Statements |
| <input type="checkbox"/> Accomplished Application Form from Negosyo Center |
| <input type="checkbox"/> Project proposal |
| <input type="checkbox"/> Technology needs assessment |
| <input type="checkbox"/> Projected financial statements |
| <input type="checkbox"/> Others, specify _____ |

| | |
|----------------------------------|--|
| Ease of meeting the requirements | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
|----------------------------------|--|

What are the steps in applying for the program?

1. _____ 4. _____

| | |
|---|--|
| 2. _____ | 5. |
| 3. _____ | |
| Ease of accessing or applying for the services from Negosyo Center? | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| How long did it take to seek services from Negosyo Center? | |
| Ease of processing the program application | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| What are the challenges in accessing or applying for the services from Negosyo Center? (Mark all that applies) | |
| <input type="checkbox"/> Lack of personnel or business counselors (BCs) <input type="checkbox"/> Lack of technical expertise of BCs <input type="checkbox"/> Far location/inaccessible centers due to distance <input type="checkbox"/> Lack of facilities (e.g. computers for search, registry, etc.) <input type="checkbox"/> Others, specify _____ | |

| V. RELEVANCE | | |
|--|---|---|
| What challenges have you encountered in the operation of your business before joining the program? (Mark all that applies) | Are these challenges addressed by the program? Indicate: Y for Yes N for No | Did the assistance provided meet your expectations? Indicate: Y for Yes P for Partially N for No Please explain your answer |
| <input type="checkbox"/> Financial concerns | | ____: Explain: _____ |
| <input type="checkbox"/> Competition | | ____: Explain: _____ |
| <input type="checkbox"/> Difficulty in business registration | | ____: Explain: _____ |
| <input type="checkbox"/> Lack of knowledge on business management | | ____: Explain: _____ |
| <input type="checkbox"/> Technical knowledge | | ____: Explain: _____ |
| <input type="checkbox"/> Support to promotion, advertisement, etc. | | ____: Explain: _____ |
| <input type="checkbox"/> Issues on the location of business | | ____: Explain: _____ |
| <input type="checkbox"/> Lack of knowledge about the market | | ____: Explain: _____ |
| <input type="checkbox"/> Supply of materials necessary for production | | ____: Explain: _____ |
| <input type="checkbox"/> Others (please specify): _____ | | ____: Explain: _____ |
| After your involvement with the program, is/are there: | | |
| 1. Ease Of Doing Business | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Lessen Bureaucratic Process | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. New Markets Explored | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, please specify: _____ |
| 4. An Expansion In Your Business Operation | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much (in percent)? _____ |
| 5. Increased Sales | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much (in percent)? _____ |
| 6. Improved Profitability | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much (in percent)? _____ |
| 7. Increased Asset Size | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much (in percent)? _____ |
| 8. Improved Competitiveness | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Improved Employment | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

| VI. SUSTAINABILITY | |
|--|---|
| Are you being monitored by the program? | [] Yes [] No |
| If yes, | |
| 1. By whom? _____ | |
| 2. How often? [] Daily [] Monthly [] Yearly [] Weekly [] Quarterly [] Others (please specify): _____ | |
| What is being required from you as beneficiary/participant of the program? (Mark all that applies) | |
| [] Data | (Specific details: _____) |
| [] Documentations | (Specific details: _____) |
| [] Payment | (Specific details: _____) |
| [] Others | (Specific details: _____) |
| Were you able to form networks as a result of participating with the program? [] Yes [] No | |
| If yes, to which of the following entities were you able to reach out? (Mark all that applies) | |
| [] Local Government Units | [] Financial institutions (e.g. banks, MFIs, etc.) |
| [] Assistance providers | [] Input markets |
| [] Output markets | [] Investors |
| [] Other (please specify): _____ | |
| What are the services contributed to the sustainability of your enterprise/business? How? | |
| If given the chance, will you again avail of the program [] Yes [] No | |
| Reason | |
| Will you recommend the program to other SMEs? [] Yes [] No | |
| Reason | |

| VII. EFFICIENCY | |
|---|--|
| Did the program help you achieve the following: | |
| 1. Hasten/ease the process of business registration | [] Yes [] No |
| 2. Lower cost of operation. | [] Yes [] No If yes, by how much? _____ |
| 3. Shorten process to operate a business | [] Yes [] No |
| 4. Improved quality of products and/or services | [] Yes [] No |
| 5. Improved labor efficiency | [] Yes [] No |
| 6. Improved efficiency in management operations | [] Yes [] No |
| 7. Improved marketing strategies | [] Yes [] No |
| 8. Increased number of potential markets. | [] Yes [] No If yes, by how much? _____ |

| VIII. PERCEPTION | | | | | |
|--|-------------------|----------|---------|-------|----------------|
| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| I. Relevance | | | | | |
| 7. Negosyo Center (NC) improved business climate in the area. | | | | | |
| 8. NC helped MSMEs in improving business operations. | | | | | |
| 9. NC improved management capability through coaching, mentoring and advisories. | | | | | |
| 10. NC supported expansion of MSMEs through promotional activities, advocacy and | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| linkages. | | | | | |
| 11. NC made MSMEs competitive. | | | | | |
| J. Efficiency | | | | | |
| 3. NC streamlined procedures for registration of MSMEs. | | | | | |
| 2. NC requirements are easy to comply. | | | | | |
| 3. Acquired knowledge from NC reduced the cost of operations. | | | | | |
| K. Effectiveness | | | | | |
| 4. NC fast-tracked business registration. | | | | | |
| 4. NC enabled me to network with important business contacts and stakeholders. | | | | | |
| 5. NC improved my management capability and decision-making and networking. | | | | | |
| 6. NC assistance increased business assets and helped grow business. | | | | | |
| 7. NC made services for my business more accessible. | | | | | |
| L. Sustainability | | | | | |
| 3. I will promote services offered by NC to other MSMEs. | | | | | |
| 4. The program is being monitored by DTI/LGUs. | | | | | |

IX. OPINIONS ON GAPS AND RECOMMENDATIONS

In general, what are your comments on the implementation of the program? Please elaborate.

What are your recommendations to further improve the program?

X. PANDEMIC RESILIENCE

How are you affected by the pandemic?

What lessons have you learned from the situation?

How did you cope up with the challenges brought by the pandemic?

Annex C4. Survey Instrument for SSF

PSA Approval No. NEDA-2027-04 Expires on 31 August 2021

NEDA-MSME Form 4

Questionnaire No: SSF _____

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support: Shared Service Facility

This study aims to assess the evaluability of Shared Service Facility (SSF) program implemented by the Department of Trade and Industry. SSF is one of the flagship programs of the MSME Development Plans and Priority Programs under the MSME Development Plan. Our research team is conducting an evaluability assessment of the SSF to determine if there are concrete benefits that can be derived from it, if the objectives are being attained and the processes are being followed, and if adjustments are needed in the program implementation. This assessment shall also determine the relevance, sustainability and acceptability by the stakeholders, and their perceptions about the program.

This researcher/evaluator has no involvement in the SSF. In addressing the objectives of this evaluability assessment, data about the project is being gathered from different sources. You, as SSF beneficiary, are one of sources. In particular, you are the ultimate determinant of the benefits to be derived from the project.

There is no right or wrong answer. Our only request is your sincere and honest response to every question asked. Your name and contact number will be recorded in case a follow through is needed. Rest assured that your identity and answers will be kept confidential and secured in compliance with the Data Privacy Act of 2012 (RA 10173). All the information that we will be collecting will be used solely for the purpose of the study.

Thank you very much.

BIEN A. GANAPIN
 Director
 Officer-in-Charge
 Trade, Services, and Industry Staff
 National Economic and
 Development Authority

Province: _____

Date: _____

| I. PROFILE OF RESPONDENT | |
|------------------------------------|--|
| Name (Last Name, First Name, M.I.) | |
| Contact Number | |
| Age as of last birthday | |
| Sex | <input type="checkbox"/> Male <input type="checkbox"/> Female |
| Civil Status | <input type="checkbox"/> Single/Never Married <input type="checkbox"/> Separated |
| | <input type="checkbox"/> Married <input type="checkbox"/> Annulled |
| | <input type="checkbox"/> Common-law/Live-in <input type="checkbox"/> Unknown |
| | <input type="checkbox"/> Divorced |

| | | | | |
|---|--|----------|-------|-------|
| Highest Educational Attainment | <input type="checkbox"/> 0 - Early Childhood Education <input type="checkbox"/> 1 - Primary Education <input type="checkbox"/> 2 - Lower Secondary Education <input type="checkbox"/> 3 - Upper Secondary Education <input type="checkbox"/> 4 - Post-Secondary Non-Tertiary Education <input type="checkbox"/> 5 - Short-Cycle Tertiary Education or Equivalent <input type="checkbox"/> 6 - Bachelor Level Education or Equivalent <input type="checkbox"/> 7 - Master Level Education or Equivalent <input type="checkbox"/> 8 - Doctoral Level Education or Equivalent | | | |
| II. ABOUT THE COOPERATOR | | | | |
| Type and Business Name of the Entity | Type of Cooperator <input type="checkbox"/> Non-Government Organization <input type="checkbox"/> People's Organization <input type="checkbox"/> Cooperative <input type="checkbox"/> Industry/Trade Association <input type="checkbox"/> Local Government Unit <input type="checkbox"/> Academe <input type="checkbox"/> Corporation <input type="checkbox"/> Individual entrepreneur Name of Entity _____ | | | |
| Year Established | _____ | | | |
| Amount of capital per SSF (PhP) | _____ | | | |
| Number of employees | Female | _____ | _____ | _____ |
| | Full-time | _____ | _____ | _____ |
| | Part-time | _____ | _____ | _____ |
| | Male | _____ | _____ | _____ |
| | Full-time | _____ | _____ | _____ |
| Part-time | _____ | _____ | _____ | |
| Revenue per month before the pandemic (PhP) | _____ | | | |
| Revenue during the previous month of operation (PhP) | _____ | | | |
| IV. PROGRAM PARTICIPATION | | | | |
| Where did you get an information about the program Shared Service Facility? (Mark all that applies) | | | | |
| <input type="checkbox"/> Relatives/ family members <input type="checkbox"/> Government officials/ workers <input type="checkbox"/> Friends/ acquaintance <input type="checkbox"/> Printed materials (e.g. posters, flyers, leaflets) <input type="checkbox"/> Colleagues/ workmates <input type="checkbox"/> Social media announcements <input type="checkbox"/> Other sources (specify) _____ | | | | |
| What is your motivation for joining the program Shared Service Facility? | | | | |
| <input type="checkbox"/> To improve the production operation and increase income <input type="checkbox"/> To standardize and improve the quality of the product <input type="checkbox"/> To improve the production operation of other MSMEs engage in similar business within the community by sharing the service facilities with them <input type="checkbox"/> Others (specify) _____ | | | | |
| How were you selected as program beneficiary? (Mark all that applies) | | | | |
| <input type="checkbox"/> By application <input type="checkbox"/> By referral <input type="checkbox"/> By recruitment <input type="checkbox"/> Others, specify _____ | | | | |
| What are the requirements in joining the program Shared Service Facility? (Mark all that applies) | | | | |
| <input type="checkbox"/> Capability to provide support such as suitable facilities for machinery/equipment to be used, personnel, working capital <input type="checkbox"/> Strategic location to serve the SSF beneficiary <input type="checkbox"/> Registrations/Business Permits/Audited Financial Statements (if NGO, PO, Coop or other association) <input type="checkbox"/> Others, specify _____ | | | | |
| Ease of meeting the requirements | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult | | | |
| What are the steps in applying for the program? | | | | |
| 1. _____ | | 4. _____ | | |
| 2. _____ | | 5. _____ | | |
| 3. _____ | | _____ | | |

| | |
|--|--|
| How long did it take to apply for the program? | |
| Ease of processing the program application | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| Assistance provided to the firm | |
| V. RELEVANCE | |
| What challenges have you encountered in the operation of your business before joining the program? (Mark all that applies) | |
| Before joining the program, did you encounter challenge relating to finances in the operation of your business? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is this challenge addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| Before joining the program, did you encounter challenge relating to difficulty in business registration ? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is this challenge addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| Before joining the program, did you encounter technical knowledge problems in the operation of your business? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is this challenge addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| Before joining the program, were there issues on the location of your business? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is this challenge addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| Before joining the program, did you encounter challenge relating to competition in the operation of your business? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is this challenge addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| Before joining the program, do you lack business management skills in the operation of your business? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is this challenge addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| What other challenges did you encounter in the operation of your business before joining the program? _____ Were these challenges addressed by the program? <input type="checkbox"/> Yes <input type="checkbox"/> No Did the assistance meet your expectations? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially | |
| After your involvement with the program, is/are there: | |
| 1. A significant increase in income? _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, by how much (in percent)? |
| 2. Additional jobs created? _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many? |
| 3. An expansion in your business operation? _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, by how much? |
| 4. Improved competitiveness _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| VI. SUSTAINABILITY | |
|--|--|
| Are you being monitored by the program? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, 1. By whom? _____ 2. How often? <input type="checkbox"/> Daily <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly <input type="checkbox"/> Weekly <input type="checkbox"/> Quarterly <input type="checkbox"/> Others (please specify): _____ | |
| What is being required from you as cooperator of the program? (Mark all that applies) | |
| <input type="checkbox"/> Data | (Specific details: _____) |
| <input type="checkbox"/> Documentations | (Specific details: _____) |
| <input type="checkbox"/> Payment | (Specific details: _____) |
| <input type="checkbox"/> Others | (Specific details: _____) |
| Were you able to form networks as a result of participating with the program? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| If yes, to which of the following entities were you able to reach out? (Mark all that applies) | |
| <input type="checkbox"/> Local Government Units | <input type="checkbox"/> Financial institutions |
| <input type="checkbox"/> Assistance providers | <input type="checkbox"/> Input markets |
| <input type="checkbox"/> Output markets | <input type="checkbox"/> Other (please specify): _____ |
| Do you think SSF should be a continuing program of DTI? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Reason | |
| Will you recommend the program to other MSMEs? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Reason | |

| VII. EFFICIENCY | | | | | |
|--|--|----------------------|----------------|--------------|-----------------------|
| Did the program help you achieve the following: | | | | | |
| 1. Lower cost of production | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, by how much? | | | |
| 2. Shorter production process | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, by how much? | | | |
| 3. Improved quality of products and/or services | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| 4. Improved labor efficiency | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| 5. Improved efficiency in management operations | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| VIII. PERCEPTION | | | | | |
| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| M. Relevance | | | | | |
| 12. SSF can help MSMEs in improving business operations and address current problems through provision of service facilities | | | | | |
| 13. SSF enabled me to improve my management capability | | | | | |
| 14. SSF is relevant to my business | | | | | |
| 15. SSF made me competitive | | | | | |
| N. Efficiency | | | | | |
| 8. SSF enabled me to network with important business contacts and stakeholders | | | | | |
| 2. The requirements of the program is easy to comply | | | | | |
| O. Effectiveness | | | | | |
| 5. SSF improved my management capability and the technical capability of my employees | | | | | |
| 6. The assistance provided by SSF helped MSMEs to grow their business | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| 7. SSF standardized and improved the quality of MSME products | | | | | |
| P. Sustainability | | | | | |
| 5. I will promote SSF and continuously encourage MSMEs to use the SSF | | | | | |
| 6. The program is being monitored by DTI regularly | | | | | |

IX. OPINIONS ON GAPS AND RECOMMENDATIONS

In general, what are your comments on the implementation of the program? Please elaborate.

Have you observed any weakness in the implementation of OTOP Next Gen? [] Yes [] No
If yes, what are these?

What are your recommendations to further improve the program?

X. PANDEMIC RESILIENCE

How are you affected by the pandemic?

What lessons have you learned from the situation?

How did you cope up with the challenges brought by the pandemic?

Annex C5. Survey Instrument for OTOP

PSA Approval No. NEDA-2027-06 Expires on 31 August 2021

NEDA-MSME Form 6a

Questionnaire No: OTOP Next Gen _____

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support: OTOP Next Gen

This study aims to assess the evaluability of OTOP Next Gen implemented by the Department of Trade and Industry. OTOP Next Gen is one of the flagship programs of the MSME Development Plans and Priority Programs under the MSME Development Plan. Our research team is conducting an evaluability assessment of OTOP Next Gen to determine if there are concrete benefits that can be derived from it, if the objectives are being attained and the processes are being followed, and if adjustments are needed in the program implementation. This assessment shall also determine the relevance, sustainability and acceptability by the stakeholders, and their perceptions about the program.

This researcher/evaluator has no involvement in OTOP Next Gen. In addressing the objectives of this evaluability assessment, data about the project is being gathered from different sources. You, as OTOP Next Gen beneficiary, are one of sources. In particular, you are the ultimate determinant of the benefits to be derived from the project.

There is no right or wrong answer. Our only request is your sincere and honest response to every question asked. Your name and contact number will be recorded in case a follow through is needed. Rest assured that your identity and answers will be kept confidential and secured in compliance with the Data Privacy Act of 2012 (RA 10173). All the information that we will be collecting will be used solely for the purpose of the study.

Thank you very much.

BIEN A. GANAPIN
 Director
 Officer-in-Charge
 Trade, Services, and Industry Staff
 National Economic and
 Development Authority

Province: _____

Date: _____

| I. PROFILE OF RESPONDENT | |
|------------------------------------|---|
| Name (Last Name, First Name, M.I.) | |
| Contact Number | |
| Age as of last birthday | |
| Sex | <input type="checkbox"/> Male <input type="checkbox"/> Female |
| Civil Status | <input type="checkbox"/> Single/Never Married <input type="checkbox"/> Separated <input type="checkbox"/> Married <input type="checkbox"/> Annulled <input type="checkbox"/> Common-law/Live-in <input type="checkbox"/> Unknown <input type="checkbox"/> Divorced |
| Highest Educational Attainment | <input type="checkbox"/> 0 - Early Childhood Education <input type="checkbox"/> 1 - Primary Education <input type="checkbox"/> 2 - Lower Secondary Education |

| | |
|--|--|
| | <input type="checkbox"/> 3 - Upper Secondary Education <input type="checkbox"/> 4 - Post-Secondary Non-Tertiary Education <input type="checkbox"/> 5 - Short-Cycle Tertiary Education or Equivalent <input type="checkbox"/> 6 - Bachelor Level Education or Equivalent <input type="checkbox"/> 7 - Master Level Education or Equivalent <input type="checkbox"/> 8 - Doctoral Level Education or Equivalent |
| II. ABOUT THE ENTERPRISE | |
| Registered Name (Insert the business name of the enterprise. If there is no business name, enter the name of the owner with surname first followed by the given name and the business activity) | |
| Years of operation | |
| Category (based on asset size) | <input type="checkbox"/> Micro (less than PHP3M) <input type="checkbox"/> Small (PHP 3-15M) <input type="checkbox"/> Medium (PHP 15-100M) |
| Nature of enterprise | <input type="checkbox"/> Agriculture, forestry and fishing <input type="checkbox"/> Mining and quarrying <input type="checkbox"/> Manufacturing <input type="checkbox"/> Electricity, gas, steam and air-conditioning supply <input type="checkbox"/> Water supply; sewerage, waste management and remediation activities <input type="checkbox"/> Construction <input type="checkbox"/> Wholesale and retail; repair of motor vehicles and motorcycles <input type="checkbox"/> Transportation and storage <input type="checkbox"/> Accommodation and food service activities <input type="checkbox"/> Information and communication <input type="checkbox"/> Financial and insurance activities <input type="checkbox"/> Real estate activities <input type="checkbox"/> Professional, scientific and technical activities <input type="checkbox"/> Administrative and support service activities <input type="checkbox"/> Public administration and defense; compulsory social security <input type="checkbox"/> Education <input type="checkbox"/> Human health and social work activities <input type="checkbox"/> Arts, entertainment and recreation <input type="checkbox"/> Other service activities <input type="checkbox"/> Activities of households as employers; undifferentiated goods-and-services-producing activities of households for own use <input type="checkbox"/> Activities of extraterritorial organizations and bodies |
| Source of capital | <input type="checkbox"/> Own capital <input type="checkbox"/> Borrowed from family/relatives <input type="checkbox"/> Borrowed from informal sources <input type="checkbox"/> Borrowed from formal sources (Please specify _____) <input type="checkbox"/> Others, please specify _____ |
| Amount of capital (PhP) | |
| Number of employees | Part-time Male _____ Part-time Female _____ |
| | Full time Male _____ Full-time Female _____ |
| Number of branches | |
| III. PRODUCTS AND SERVICES | |
| What type of products and/or services do you offer? <input type="checkbox"/> Food Products (specify) _____ <input type="checkbox"/> Gifts, Decors, Handicrafts (specify) _____ <input type="checkbox"/> Furniture (specify) _____ <input type="checkbox"/> Metals and Engineering (specify) _____ <input type="checkbox"/> Pharmaceuticals, Health and Wellness Products(specify) _____ <input type="checkbox"/> Halal Products and Services (specify) _____ <input type="checkbox"/> Others (please specify): _____ | |
| Major markets | Local _____ |
| | International _____ |

| | |
|--|--|
| Volume of sales per month (before pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Volume of sales per month (during pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Revenue per month before the pandemic (PhP) | |
| Revenue during the previous month of operation (PhP) | |

| IV. PROGRAM PARTICIPATION | |
|--|--|
| Where did you get information about the program OTOP Next Gen? (Mark all that applies) | |
| <input type="checkbox"/> Relatives/ family members | <input type="checkbox"/> Printed materials (e.g. posters, flyers, leaflets) |
| <input type="checkbox"/> Friends/ acquaintance | <input type="checkbox"/> Social media announcements |
| <input type="checkbox"/> Colleagues/ workmates | <input type="checkbox"/> Others |
| <input type="checkbox"/> Government officials/workers | |
| What motivated you to join the program OTOP Next Gen? (Mark all that applies) | |
| <input type="checkbox"/> New knowledge in business operations | <input type="checkbox"/> Refresher course in technical operations |
| <input type="checkbox"/> New knowledge in technical operations | <input type="checkbox"/> Networking |
| <input type="checkbox"/> Refresher course in management | <input type="checkbox"/> Business opportunity |
| <input type="checkbox"/> Others, please specify _____ | |
| How were you selected as program participant? (Mark all that applies) | |
| <input type="checkbox"/> By application | <input type="checkbox"/> By referral |
| <input type="checkbox"/> By recruitment | <input type="checkbox"/> Others, please specify _____ |
| What type of assessment was done by DTI for you to qualify in OTOP Next Gen? | |
| <input type="checkbox"/> Has existing business on manufacturing | |
| <input type="checkbox"/> Attended trainings on entrepreneurship | |
| <input type="checkbox"/> Participated in trainings on KMME | |
| <input type="checkbox"/> Willing to apply technological improvements in existing operation | |
| <input type="checkbox"/> Registrations/Business Permits/Audited Financial Statements | |
| <input type="checkbox"/> Project proposal | |
| <input type="checkbox"/> Technology needs assessment | |
| <input type="checkbox"/> Projected financial statements | |
| <input type="checkbox"/> Others, please specify _____ | |
| Ease of meeting the requirements | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| Under OTOP Next Gen what steps did you go through during product development? What trainings did you attend? | |
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | |
| How long did it take to improve your products? _____ | |
| Ease of product development | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| Ease of market development | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |

What assistance were provided by OTOP Next Gen? (Mark all that applies)

- Capacity building
- Product Development
Specify the service provider _____
- Design services and intervention
Specify the service provider _____
- Packaging
Specify the service provider _____
- Labeling
Specify the service provider _____
- FDA registration and Nutrifacts testing
Specify the service provider _____
- Entrepreneurial/Management training
Specify the service provider _____
- Intellectual Property Assistance
Specify the service provider _____
- Brand Equity and Development
Specify the service provider _____
- Market Platform and Promotion (market awareness, readiness, entry, expansion)
Specify the service provider _____

Other assistance provided not mentioned above

- None
- Specify assistance _____
Service provider _____

V. RELEVANCE

What challenges have you encountered in the operation of your business before joining the OTOP Next Gen program?

Before joining the OTOP Next Gen program, did you encounter challenge relating to **finances** in the operation of your business? Yes No

If yes, is this challenge addressed by the program? Yes No

Did the assistance meet your expectations? Yes No Partially

Before joining the OTOP Next Gen program, did you encounter challenge relating to **difficulty in business registration**?

Yes No

If yes, is this challenge addressed by the program? Yes No

Did the assistance meet your expectations? Yes No Partially

Before joining the program, did you encounter **technical knowledge** problems in the operation of your business? Yes No

If yes, is this challenge addressed by the program? Yes No

Did the assistance meet your expectations? Yes No Partially

Before joining the program, were there issues on the **location** of your business? Yes No

If yes, is this challenge addressed by the program? Yes No

Did the assistance meet your expectations? Yes No Partially

Before joining the program, were you challenged with **availability of supply of materials** in the operation of your business?

Yes No

If yes, is this challenge addressed by the program? Yes No

Did the assistance meet your expectations? Yes No Partially

Before joining the program, did you encounter challenge relating to **competition** in the operation of your business?

Yes No

If yes, is this challenge addressed by the program? Yes No

Did the assistance meet your expectations? Yes No Partially

What **other challenges** did you encounter in the operation of your business before joining the OTOP Next Gen program? _____

Were these challenges addressed by the program? [] Yes [] No

Did the assistance meet your expectations? [] Yes [] No [] Partially

After your involvement with the program, is/are there:

1. A significant increase in income? [] Yes [] No If yes, by how much (in percent)? _____

2. Additional jobs created? [] Yes [] No If yes, how many? _____

3. New markets explored? [] Yes [] No If yes, please specify: _____

4. An expansion in your business operation? [] Yes [] No If yes, by how much? _____

5. Improved competitiveness [] Yes [] No

6. Developed your capacity and marketing strength? [] Yes [] No If yes, how? _____

.

VI. SUSTAINABILITY

Are you being monitored by the program? [] Yes [] No

If yes,

1. By whom? _____

2. How often? [] Daily [] Monthly [] Yearly
[] Weekly [] Quarterly [] Others (please specify): _____

What is being required from you as beneficiary/participant of the program? (Mark all that applies)

[] Submit required data to DTI (Specific details: _____)

[] Documentations (Specific details: _____)

[] Payment (Specific details: _____)

[] Complete required trainings (Specific details: _____)

Were you able to form networks as a result of participating with the program? [] Yes [] No

If yes, to which of the following entities were you able to reach out? (Mark all that applies)

[] Local Government Units [] Financial institutions

[] Assistance providers [] Input markets

[] Output markets [] Other (please specify): _____

Do you participate in trade fairs? [] Yes [] No

If yes, in what fairs?

[] Provincial

[] Regional

[] National

[] International

What have you gained in participating in such trade fairs?

[] Increased my sales volume and improved my income

[] Met new buyers and expanded my market outlets

[] Decided to expand my business operation

Do you think OTOP Next Gen should be a continuing program of DTI? [] Yes [] No

State your reason

Will you recommend other MSMEs to participate in OTOP Next Gen? Yes No

If yes, reason:

- To improved their products in terms of quality, acceptability, design and packaging, standards compliance and marketability
- To enhance their capacity to market their products in terms of effective selling, negotiation skills, awareness of needs of buyers,
- For them to have wider market for their products locally and abroad (market expansion)
- In general, to improve their business operation
- Others, specify _____

If no, reasons:

- Too many requirements in terms of paper works
- Costly, many MSMEs cannot afford
- Takes time needed for product improvement
- Too many trainings required

In general, what do you think are the objectives of OTOP Next Gen?

- To capacitate the MSMEs in product development and improve their skills in marketing their products
- To come up with improve product offerings through quality and product development, design and packaging
- For the OTOP products to be market-oriented and innovation driven

| VII. EFFICIENCY | | |
|---|--|----------------------|
| Did the program help you achieve the following: | | |
| 1. Lower cost of production | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, by how much? |
| _____ | | |
| 2. Shorter production process | <input type="checkbox"/> Yes <input type="checkbox"/> No | If yes, by how much? |
| _____ | | |
| 3. Improved quality of products and/or services | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 4. Improved labor efficiency | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 5. Improved efficiency in management operations | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

| VIII. PERCEPTION | | | | | |
|--|-------------------|----------|---------|-------|----------------|
| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| Q. Relevance | | | | | |
| 16. OTOP can help MSMEs in improving business operations and address current problems through appropriate science solutions. | | | | | |
| 17. OTOP enabled me to improve my management capability and technical capability of my staff | | | | | |
| 18. OTOP enabled me to improve my marketing ability | | | | | |
| 19. OTOP is relevant to my business. | | | | | |
| 20. OTOP made me competitive. | | | | | |
| R. Efficiency | | | | | |
| 9. OTOP enabled me to network with important business contacts and stakeholders. | | | | | |
| 2. The requirements of the program is easy to comply. | | | | | |
| S. Effectiveness | | | | | |
| 8. The assistance provided by OTOP helped my business grow. | | | | | |
| 9. OTOP standardized and improved the quality of my products. | | | | | |
| 10. OTOP enabled me to effectively market my product | | | | | |
| T. Sustainability | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| 7. I will continuously apply the strategies/innovations introduced by OTOP to upgrade my business. | | | | | |
| 8. The program is being monitored by DTI regularly. | | | | | |
| 9. I will recommend the program to other MSMEs. | | | | | |

IX. OPINIONS ON GAPS AND RECOMMENDATIONS

Have you observed any weakness in the implementation of OTOP Next Gen? [] Yes [] No
 If yes, what are these?

What are your recommendations to further improve the program?

X. PANDEMIC RESILIENCE

How are you affected by the pandemic?

What lessons have you learned from the situation?

How did you cope up with the challenges brought by the pandemic?

Annex C6. Survey Instrument for SETUP

PSA Approval No. NEDA-2027-05 Expires on 31 August 2021

NEDA-MSME Form 5

Questionnaire No: SETUP _____

Evaluability Assessment of Micro, Small, and Medium Enterprise (MSME) Development Plan and Priority Programs under the MSME Development Plan with a Process Evaluation of Government Support: Small Enterprise Technology Upgrading Program

This study aims to assess the evaluability of Small Enterprise Technology Upgrading Program (SETUP) implemented by the Department of Science and Technology. SETUP is one of the flagship programs of the MSME Development Plans and Priority Programs under the MSME Development Plan. Our research team is conducting an evaluability assessment of the SETUP to determine if there are concrete benefits that can be derived from it, if the objectives are being attained and the processes are being followed, and if adjustments are needed in the program implementation. This assessment shall also determine the relevance, sustainability and acceptability by the stakeholders, and their perceptions about the program.

This researcher/evaluator has no involvement in the SETUP. In addressing the objectives of this evaluability assessment, data about the project is being gathered from different sources. You, as SETUP beneficiary, are one of sources. In particular, you are the ultimate determinant of the benefits to be derived from the project.

There is no right or wrong answer. Our only request is your sincere and honest response to every question asked. Your name and contact number will be recorded in case a follow through is needed. Rest assured that your identity and answers will be kept confidential and secured in compliance with the Data Privacy Act of 2012 (RA 10173). All the information that we will be collecting will be used solely for the purpose of the study.

Thank you very much.

BIEN A. GANAPIN
Director
Officer-in-Charge
Trade, Services, and Industry Staff
National Economic and
Development Authority

Province: _____

Date: _____

| I. PROFILE OF RESPONDENT | |
|------------------------------------|---|
| Name (Last Name, First Name, M.I.) | |
| Contact Number | |
| Age as of last birthday | |
| Sex | [<input type="checkbox"/>] Male [<input type="checkbox"/>] Female |

| | |
|---|--|
| Civil Status | <input type="checkbox"/> Single/Never Married <input type="checkbox"/> Separated <input type="checkbox"/> Married <input type="checkbox"/> Annulled <input type="checkbox"/> Common-law/Live-in <input type="checkbox"/> Unknown <input type="checkbox"/> Divorced |
| Highest Educational Attainment | <input type="checkbox"/> 0 - Early Childhood Education <input type="checkbox"/> 1 - Primary Education <input type="checkbox"/> 2 - Lower Secondary Education <input type="checkbox"/> 3 - Upper Secondary Education <input type="checkbox"/> 4 - Post-Secondary Non-Tertiary Education <input type="checkbox"/> 5 - Short-Cycle Tertiary Education or Equivalent <input type="checkbox"/> 6 - Bachelor Level Education or Equivalent <input type="checkbox"/> 7 - Master Level Education or Equivalent <input type="checkbox"/> 8 - Doctoral Level Education or Equivalent |
| II. ABOUT THE ENTERPRISE | |
| Registered Name (Insert the business name of the enterprise. If there is no business name, enter the name of the owner with surname first followed by the given name and the business activity) | |
| Years of operation | |
| Category (based on asset size) | <input type="checkbox"/> Micro (less than PHP3M) <input type="checkbox"/> Small (PHP 3-15M) <input type="checkbox"/> Medium (PHP 15-100M) |
| Nature of enterprise | <input type="checkbox"/> Agriculture, forestry and fishing <input type="checkbox"/> Mining and quarrying <input type="checkbox"/> Manufacturing <input type="checkbox"/> Electricity, gas, steam and air-conditioning supply <input type="checkbox"/> Water supply; sewerage, waste management and remediation activities <input type="checkbox"/> Construction <input type="checkbox"/> Wholesale and retail; repair of motor vehicles and motorcycles <input type="checkbox"/> Transportation and storage <input type="checkbox"/> Accommodation and food service activities <input type="checkbox"/> Information and communication <input type="checkbox"/> Financial and insurance activities <input type="checkbox"/> Real estate activities <input type="checkbox"/> Professional, scientific and technical activities <input type="checkbox"/> Administrative and support service activities <input type="checkbox"/> Public administration and defense; compulsory social security <input type="checkbox"/> Education <input type="checkbox"/> Human health and social work activities <input type="checkbox"/> Arts, entertainment and recreation <input type="checkbox"/> Other service activities <input type="checkbox"/> Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use <input type="checkbox"/> Activities of extraterritorial organizations and bodies |
| Source of capital | <input type="checkbox"/> Own capital <input type="checkbox"/> Borrowed from family/relatives <input type="checkbox"/> Borrowed from informal sources <input type="checkbox"/> Borrowed from formal sources (Please specify _____) <input type="checkbox"/> Others, please specify _____ |
| Amount of capital (PhP) | |
| Number of employees | Part-time Male _____ Part-time Female _____ |
| | Full time Male _____ Full-time Female _____ |
| Number of branches | |
| III. PRODUCTS AND SERVICES | |
| What type of products and/or services do you offer? <input type="checkbox"/> Agricultural/Marine/Aquaculture (specify) _____ <input type="checkbox"/> Food Processing (specify) _____ <input type="checkbox"/> Gifts, Decors, Handicrafts (specify) _____ <input type="checkbox"/> Furniture (specify) _____ <input type="checkbox"/> Metals and Engineering (specify) _____ <input type="checkbox"/> ICT (specify) _____ | |

| | |
|---|--|
| <input type="checkbox"/> Pharmaceuticals, Health and Wellness Products (specify) _____ <input type="checkbox"/> Halal Products and Services (specify) _____ <input type="checkbox"/> Others (please specify): _____ | |
| Major markets | Local _____ |
| | International _____ |
| Volume of sales per month (before pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Volume of sales per month (during pandemic) | Product 1: _____ Product 2: _____ Product 3: _____ |
| Revenue per month before the pandemic (PhP) | _____ |
| Revenue during the previous month of operation (PhP) | _____ |
| IV. PROGRAM PARTICIPATION | |
| Where did you get an information about SETUP? (Mark all that applies) | |
| <input type="checkbox"/> Relatives/ family members <input type="checkbox"/> Friends/ acquaintance <input type="checkbox"/> Colleagues/ workmates <input type="checkbox"/> Science and Technology Caravan <input type="checkbox"/> Trade Fairs <input type="checkbox"/> Government officials/ workers <input type="checkbox"/> Printed materials (e.g. posters, flyers, leaflets) <input type="checkbox"/> Social media announcements <input type="checkbox"/> Department of Trade and Industry (DTI) <input type="checkbox"/> Others _____ | |
| What is your motivation for joining SETUP? (Mark all that applies) | |
| <input type="checkbox"/> New knowledge in business operations <input type="checkbox"/> New knowledge in technical operations <input type="checkbox"/> Refresher course in management <input type="checkbox"/> Others _____ <input type="checkbox"/> Refresher course in technical operations <input type="checkbox"/> Networking <input type="checkbox"/> Business opportunity | |
| How were you selected as program beneficiary? (Mark all that applies) | |
| <input type="checkbox"/> By application <input type="checkbox"/> By recruitment <input type="checkbox"/> By referral <input type="checkbox"/> Others, specify _____ | |
| What are the requirements in joining SETUP? (Mark all that applies) | |
| <input type="checkbox"/> Existing business <input type="checkbox"/> Willing to apply technological improvements in existing operation <input type="checkbox"/> Registrations/Business Permits/Audited Financial Statements <input type="checkbox"/> Project proposal <input type="checkbox"/> Technology Needs Assessment (TNA) <input type="checkbox"/> Letter of intent to avail of SETUP assistance, stating commitment to refund the iFund support and cover the insurance cost for the acquired equipment <input type="checkbox"/> Fully accomplished DOST TNA Form o1, "Application for Technology Needs Assessment" <input type="checkbox"/> Copy of business permits and licenses issued by LGUs and other government offices <input type="checkbox"/> Certificate of registration with DTI, Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA) <input type="checkbox"/> Articles of incorporation for cooperatives and associations as proponent <input type="checkbox"/> Board/Legislative Council Resolution authorizing the availment of the assistance and designating authorized signatory for the funding assistance for corporations, cooperative, SUCs, and LGUs <input type="checkbox"/> Financial statements for the past three (3) years for small and medium enterprises and at least one (1) year for micro-enterprises <input type="checkbox"/> Sworn affidavit that none of the incorporators/officials or applicant is related to the approving authority (Regional Director) up to the third degree of consanguinity and affinity and that the proponent has no bad debt. <input type="checkbox"/> Projected financial statements <input type="checkbox"/> Complete technical specifications and design/drawing/picture of equipment to be acquired, as determined in the TNA Report <input type="checkbox"/> Three (3) quotations from suppliers/fabricators for each equipment to be acquired <input type="checkbox"/> Others, specify _____ | |
| Ease of meeting the requirements | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult |
| What are the steps in applying for the program? | |
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | |

| | | |
|--|--|--|
| How long did it take to apply for the program? | | |
| Ease of processing the program application | <input type="checkbox"/> Very Easy <input type="checkbox"/> Easy <input type="checkbox"/> Neutral <input type="checkbox"/> Difficult <input type="checkbox"/> Very Difficult | |
| Assistance provided to the firm (Mark all that applies) <input type="checkbox"/> Proposal preparation <input type="checkbox"/> Technology Needs Assessment (TNA) <input type="checkbox"/> Access to and acquisition of appropriate technology <input type="checkbox"/> Innovation-Enabling Fund or iFund (financial assistance for acquiring appropriate technology) <input type="checkbox"/> Capacity building and technical trainings <input type="checkbox"/> Consultancy and technical advisory services <input type="checkbox"/> One Expert (1E) Program <input type="checkbox"/> Manufacturing Productivity Extension Program (MPEX) <input type="checkbox"/> Consultancy for Agricultural Productivity Enhancement (CAPE) Program <input type="checkbox"/> Food Safety (FS) Program <input type="checkbox"/> Cleaner Production Program <input type="checkbox"/> Energy Audit (EA) Program <input type="checkbox"/> Packaging and Labelling Assistance <input type="checkbox"/> Subject Matter Specialists <input type="checkbox"/> Technical Training Programs <input type="checkbox"/> OneLab Program <input type="checkbox"/> Human Resource Training <input type="checkbox"/> Product Development, Calibration and Testing <input type="checkbox"/> Packaging and labelling <input type="checkbox"/> Information System and Technology Solution | | |
| V. RELEVANCE | | |
| What challenges have you encountered in the operation of your business before joining the program? (Mark all that applies) | Are these challenges addressed by the program? Indicate: Y for Yes N for No | Did the assistance provided meet your expectations? Indicate: Y for Yes P for Partially N for No Please explain your answer |
| <input type="checkbox"/> Financial concerns | | ___: Explain: _____ |
| <input type="checkbox"/> Competition | | ___: Explain: _____ |
| <input type="checkbox"/> Difficulty in business registration | | ___: Explain: _____ |
| <input type="checkbox"/> Lack of knowledge on business management | | ___: Explain: _____ |
| <input type="checkbox"/> Technical knowledge | | ___: Explain: _____ |
| <input type="checkbox"/> Issues on the location of business | | ___: Explain: _____ |
| <input type="checkbox"/> Supply of materials necessary for production | | ___: Explain: _____ |
| <input type="checkbox"/> Others (please specify): _____ _____ | | ___: Explain: _____ |
| After your involvement with the program, is/are there: | | |
| 1. A significant increase in income? | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much (in percent)? _____ |
| 2. Additional jobs created? | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, how many? _____ |
| 3. New markets explored? | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, please specify: _____ |
| 4. An expansion in your business operation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No If yes, by how much? _____ |
| 5. Improved competitiveness | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

| VI. SUSTAINABILITY | |
|--|-----------------------------------|
| Are you being monitored by the program? | [] Yes [] No |
| If yes, | |
| 1. By whom? _____ | |
| 2. How often? [] Daily [] Monthly [] Yearly [] Weekly [] Quarterly [] Others (please specify): _____ | |
| What is being required from you as beneficiary/participant of the program? (Mark all that applies) | |
| [] Data | (Specific details: _____) |
| [] Documentations | (Specific details: _____) |
| [] Payment | (Specific details: _____) |
| [] Others | (Specific details: _____) |
| Were you able to form networks as a result of participating with the program? [] Yes [] No | |
| If yes, to which of the following entities were you able to reach out? (Mark all that applies) | |
| [] Local Government Units | [] Financial institutions |
| [] Assistance providers | [] Input markets |
| [] Output markets | [] Other (please specify): _____ |
| If given the chance, will you again avail of the program [] Yes [] No | |
| Reason | |
| Will you recommend the program to other SMEs? [] Yes [] No | |
| Reason | |

| VII. EFFICIENCY | | | | | |
|--|-------------------|-------------------------------|---------|-------|----------------|
| Did the program help you achieve the following: | | | | | |
| 1. Lower cost of production | [] Yes [] No | If yes, by how much? _____ | | | |
| 2. Shorter production process | [] Yes [] No | If yes, by how much? _____ | | | |
| 3. Improved quality of products and/or services | [] Yes [] No | | | | |
| 4. Improved labor efficiency | [] Yes [] No | | | | |
| 5. Improved efficiency in management operations | [] Yes [] No | | | | |
| VIII. PERCEPTION | | | | | |
| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| U. Relevance | | | | | |
| 21. SETUP can help MSMEs in improving business operations and address current problems through appropriate science solutions | | | | | |
| 22. SETUP enabled me to improve my management capability | | | | | |
| 23. SETUP is relevant to my business | | | | | |
| 24. SETUP made me competitive | | | | | |
| 25. SETUP helped me to be productive even during the pandemic. | | | | | |
| V. Efficiency | | | | | |
| 10. SETUP enabled me to network with important business contacts and | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| stakeholders | | | | | |
| 2. The requirements of the program is easy to comply | | | | | |
| W. Effectiveness | | | | | |
| 11. SETUP improved my management capability and the technical capability of my employees | | | | | |
| 12. The assistance provided by SETUP helped my business grow and increased my income | | | | | |
| 13. SETUP standardized and improved the quality of my products | | | | | |
| 14. SETUP increased my production capacity. | | | | | |
| 15. SETUP generated more employment. | | | | | |
| 16. SETUP enabled me to penetrate new markets. | | | | | |
| 17. The program enabled me to develop new products and services. | | | | | |
| X. Sustainability | | | | | |
| 10. I will continuously apply the strategies/innovations introduced by SETUP to upgrade my business | | | | | |
| 11. The program is being monitored by DOST regularly | | | | | |
| 12. I will recommend the program to other MSMEs | | | | | |
| 13. SETUP program is flexible and introduces innovation thru time. | | | | | |
| IX. OPINIONS ON GAPS AND RECOMMENDATIONS | | | | | |
| In general, what are your comments on the implementation of the program? Please elaborate. | | | | | |
| What are your recommendations to further improve the program? | | | | | |

| |
|--|
| X. PANDEMIC RESILIENCE |
| How are you affected by the pandemic? |
| What lessons have you learned from the situation? |
| How did you cope up with the challenges brought by the pandemic? |

Annex D. KII/FGD Guide Questions

Annex D1. Guide Questions for MSMEDP Council

I. Knowledge on MSMEDP

1. What is your understanding on MSMEDP and its goals and objectives?
2. What are the roles/functions of your agency as Council-member?

Get a narrative of the understanding of what MSMEDP. Describe provisions of the MSMEDP pertaining to the Council-member (e.g. roles, functions and provisions re expected roles and functions of the member agency.

II. Role of Agency in the Implementation of MSMEDP

1. What are the vision, mission and goals of the member-agency?
2. How are these vision, mission and goals align with the objectives/goals of MSMEDP?

Assess the perspective of the agency in meeting the VMG of MSMEDP (e.g. improved business climate, improved access to finance, enhanced management and labor capacities, improved access to technology and innovation, improved access to market, etc.)

1. What are the roles and functions of the agency as member of the MSMEDP Council? Are the expected roles and functions align with the mandates of the member-agency?
2. Discuss organizational structure or unit/office involve in performing the roles and functions of the member-agency as indicated in the MSMEDP.

III. Performance of the Member-Agency

- 1- What are the programs/projects/plans/activities in implementing the MSMEDP? What are the trainings, support services, linkages and networks provided? Discuss how are these programs/projects/plans/activities able to achieve the VMG of MSMEDP.
- 2- Describe the implementation strategies and process of planning and implementing programs/projects/activities.
 - a. What are the technical assistance provided by the Council in developing the implementation strategies and process?
 - b. Can the Council influence the direction of the program implementation?
- 3- How would you rate your agency in terms of relevance, effectiveness and efficiency in meeting the VMG of MSMEDP? (Likert scale, 5 being the highest). Discuss the reasons and cite examples/instances behind the rating.
- 4- What are the issues in planning and implementing the programs/projects/plans/activities under MSMEDP? Check for possible issues on overlapping functions, programs, activities among member-agencies. Is there convergence or harmonization of programs/projects/plans/activities among member agencies? What are the mitigating measures to address the problems?

IV. MSMEDP

- 1- How do you see the implementation of the six key programs of DTI and DOST (Negosyo Center, Kapatid Mentor Me, Pondo sa Pagbabago at Pag-asenso (P3), One Town One Product (OTOP), Shared Services Facility (SSF), Small Enterprise Technology Upgrading Program (SET-UP)) in achieving the goals of MSMEDP
- 2- What are the expected or perceived contributions of each program?
- 3- Do you think the programs achieved its objectives and deliverables?

V. Monitoring and Evaluation

- 1- Is there established monitoring and evaluation protocol for MSMEDP?
- 2- What are the indicators of progress/success?
- 3- Who conduct the M&E of activities?
- 4- How are gaps being addressed? How are good practices/results disseminated?

VI. Sustainability

- 1- Is there sustainability plan established for MSMEDP?
- 2- What is the role your agency in crafting the sustainability plan?
- 3- How did you implement the sustainability plan?
- 4- Is the M&E plan linked with the establishment of the sustainability plan.
 - a. How is the M&E system related in achieving sustainability of the programs?
 - b. Are the issues identified during the M&E able to provide feedback to the Council in terms of planning for the future activities and budgeting?
- 5- What are the necessary factors/requirements (e.g. infrastructure, policies, budget, etc.) to sustain the success/progress of MSMEDP?

Annex D2. Guide Questions for KMME

1. What is the motivation for coming up with the Mentor ME?
2. What are the goals of the Mentor ME?
3. What are the assumptions of the program?
4. Did these assumptions materialize during the implementation of the program?
If not, are there changes in the assumptions?
If not, are there changes in the overall framework of the program?
5. What is the structure of the program?
Implementation structure
 - Organizational structure
 - Responsibility centers
 - Respective TORsProcess followed in the implementation
 - What are the inputs needed (funds? manpower?)
 - What implementation protocols/procedures followed
 - What verifiable outputs are being followed/collection of data for OVI?
6. Monitoring and evaluation system
 - What is the M&E plan used or followed?
 - Is there a dedicated unit for M&E?
 - What are being monitored? Ask for specific indicators/data.
 - Is baseline data collected? (data on beneficiary status before being recipient of the program)
 - Do you carry out evaluation?
 - If yes, what types and how often?
 - How are results of M&E used for decision making?
7. Gaps in implementation
8. Gaps in M&E
9. Perception on
 - relevance
 - effectiveness
 - efficiency
 - sustainability
 - impact

Annex D3a. Guide Questions for P3 (Conduits)

1. Tell us something about your organization (goals, programs, funding and sources, beneficiaries).
2. What do you think are the goals of P3?
3. What is the motivation for the conduits in accessing funds from P3 in your area?
4. How does the attainment of the goal of your program contribute to the attainment of the P3 goals? (or relation of the conduit and the P3) and vice versa
5. What are the factors necessary (assumptions) for the successful implementation of the P3 program?
6. Did these assumptions (factors) materialize during the implementation of the program?
If not, are there changes in the assumptions?
If not, are there changes in the overall framework of the program?
7. What is the structure of the program at the conduit level?

Implementation structure

- Organizational structure with respect to P3 implementation

Process followed in the implementation

- From conduit conduit to SBC
 - o Describe the process of application, evaluation and approval process
 - o Describe the terms
 - o Describe the collection and payment system
 - o Describe the overall experience
- From MSMEs to conduit
 - o Describe the process of application, evaluation and approval process
 - o Describe the terms
 - o Describe the collection and payment system
- What are the inputs needed (funds? manpower?)

8. Monitoring and evaluation system

- Between conduit and SBC
 - o What is the M&E plan used or followed? Do you have an operations manual being followed?
 - o Is there a dedicated unit for M&E?
 - o What are being monitored? Ask for specific indicators/data. (request for copy of form if any);
 - o How is monitoring done?
 - o Is baseline data collected? (data on beneficiary status before being recipient of the program)
 - o Does SBC carry out evaluation?
 - o If yes, what types and how often?
- Between conduit and SMEs

- What is the M&E plan used or followed? Do you have an operations manual being followed?
 - Is there a dedicated unit for M&E?
 - What are being monitored? Ask for specific indicators/data. (request for copy of form if any);
 - How is monitoring done?
 - Is baseline data collected? (data on beneficiary status before being recipient of the program)
 - Does the conduit carry out evaluation?
 - If yes, what types and how often?
9. Gaps in implementation (issues and concerns, both SBC and MSME level)
10. Gaps in M&E (issues and concerns, both SBC and MSME level)
(eg. Ask the respondent think is still needed if there are problematic areas in question #6)
11. Perception on
- Relevance (program addresses the needs of the target beneficiaries)
 - Effectiveness (program is attaining its goals or objectives)
 - Efficiency (program is implemented at the least cost and time possible)
 - sustainability (program funding is always available)
 - impact (effect of the program on the livelihood of beneficiaries)
12. What was the effect of the ECQ/MECQ on the program?
- Effect on loan applications
 - Effect on loan processing
 - Effect on loan releasing
 - Effect on loan collection
 - Others
13. What was the response of P3 to mitigate the effects of the ECQ/MECQ on the beneficiaries?
- Actions taken to help the existing beneficiaries
 - Actions taken to assist the potential beneficiaries
 - New credit programs
 - Others

Annex D3b. Guide Questions for P3 Program Implementors

1. What is the motivation for coming up with the P3?
2. What are the goals of the P3?
3. What are the assumptions of the program?
4. Did these assumptions materialize during the implementation of the program?
If not, are there changes in the assumptions?
If not, are there changes in the overall framework of the program?
5. What is the structure of the program?
Implementation structure
 - Organizational structure
 - Responsibility centers
 - Respective TORsProcess followed in the implementation
 - What are the inputs needed (funds? manpower?)
 - What implementation protocols/procedures followed
 - What verifiable outputs are being followed/collection of data for OVI?
6. Monitoring and evaluation system
 - What is the M&E plan used or followed?
 - Is there a dedicated unit for M&E?
 - What are being monitored? Ask for specific indicators/data.
 - Is baseline data collected? (data on beneficiary status before being recipient of the program)
 - Do you carry out evaluation?
 - If yes, what types and how often?
 - How are results of M&E used for decision making?
7. Gaps in implementation
8. Gaps in M&E
(eg. Ask the respondent think is still needed if there are problematic areas in question #6)
9. Perception on
 - Relevance (program addresses the needs of the target beneficiaries)
 - Effectiveness (program is attaining its goals or objectives)
 - Efficiency (program is implemented at the least cost and time possible)
 - sustainability (program funding is always available)
 - impact (effect of the program on the livelihood of beneficiaries)
10. What was the effect of the ECQ/MECQ on the program?
 - Effect on loan applications
 - Effect on loan processing
 - Effect on loan releasing
 - Effect on loan collection
 - Others
11. What was the response of P3 to mitigate the effects of the ECQ/MECQ on the beneficiaries?
 - Actions taken to help the existing beneficiaries
 - Actions taken to assist the potential beneficiaries
 - New credit programs
 - Others

Annex D4. Guide Questions for *Negosyo Center*

I. Background of establishing Negosyo Center

- 1- What is your understanding of the Program Negosyo Center (NC)? For the respondent to discuss knowledge on NC including goals, objectives, provisions, implementation strategies, assumptions, indicators (success, deliverables etc.)
- 2- When did you establish the NC?
- 3- Who were the key persons/institutions in the establishment of NC?
- 4- Support received in establishing NC. Discuss the role of LGU and other agencies/institutions in the establishment of NC in the area.

II. NC Operation

- 1- What is the motivation for establishing the NC in your area?
Get a narrative of the business climate in the area that motivated the establishment of NC. Elicit the objectives/goals in establishing NC in the area.

Establish the baseline condition of the business environment in the area prior to the establishment of NC.

- 2- How are the goals and objectives of NC align with the motivations/goals of the LGU at the municipality/province level?

Did the objectives/assumptions materialize during the implementation of the program? Highlight changes if any and factors that contributed to the changes.

Were the revisions/changes made documented and indicated in the logical framework?

- 3- What is the type of NC? Discuss the type of NC by level whether Basic, Full Service and Advanced.

Discuss if the NC has movement from Basic to Advanced and how was this achieved. What were the changes in terms of support (financial, human resources, facilities, type of services provided, etc.)

- 4- What is the structure of the program?
 - a. Organizational structure (human resources requirement, TOR established). Who provides the salaries of the staff (role of LGU). Are the business counselors (BCs) regular or job order? Indicate implication to program implementation.
 - b. Implementation strategies/procedures/protocols (document indicators or MOVs for the procedures.
 - c. Policies crafted to support the NC (e.g. ordinance, resolutions)

- 5- What are the types of businesses/enterprises supported? (i.e. agriculture, manufacture, etc.) Scale of business (micro, small, medium). Indicate number (collect secondary data on list of MSMEs, types, etc.)
- 6- Monitoring and evaluation (Look for M&E protocol, forms)
 - a. Is there established monitoring and evaluation protocol for NC?
 - b. What are the indicators of progress/success/MOVs?
 - c. Who conduct the M&E activities?
 - d. How are the results from M&E used? Were the results used as basis for changes/revisions in implementation? How are gaps being addressed? How are good practices/results disseminated?
- 7- Sustainability
 - a. Is there sustainability plan established for NC?
 - b. Who/what units were involved in crafting the sustainability plan?
 - c. How are you implementing the sustainability plan?
 - d. What are the necessary factors/requirements (e.g. infrastructure, policies, budget, human resources, etc.) to sustain the success/progress of NC?
 - i. What are the possible implications of potential changes in policies or agencies running the NC?
 - ii. Implications of BCs who are usually on job order? How are initiatives sustained?

Annex D5. Guide Questions for SSF

1. What is the motivation for coming up with the SSF Program?
2. What are the goals of the SSF Program?
3. What are the assumptions of the program?
4. Did these assumptions materialize during the implementation of the program?
If not, are there changes in the assumptions?
If not, are there changes in the overall framework of the program?
5. What is the structure of the program?
Implementation structure
 - Organizational structure
 - Responsibility centers
 - Respective TORsProcess followed in the implementation
 - What are the inputs needed (funds?manpower?)
 - What implementation protocols/procedures followed
 - What verifiable outputs are being followed/collection of data for OVI?
6. Monitoring and evaluation system
 - What is the M&E plan used or followed?
 - Is there a dedicated unit for M&E?
 - What are being monitored? What specific indicators/data?
 - Is baseline data collected? (data on beneficiary status before being recipient of the program)
 - Do you carry out evaluation?
 - If yes, what types and how often?
 - How are results of M&E used for decision making?
 -
7. What are the gaps in implementation?
8. What are the gaps in M&E?
What do you think are still needed if there are problematic areas in question #6?
9. What is your perception on
 - Relevance (program addresses the needs of the target beneficiaries)
 - Effectiveness (program is attaining its goals and objectives)
 - Efficiency (Program is implemented at the least cost and time possible)
 - Sustainability (funding is always available; mentoring and training can go on even with minimal funding, etc)
 - Impact (effect of the program on the MSME – positive, negative, etc)
10. What was the effect of the ECQ/MECQ on the program
 - Effect on implementation of ongoing activities
 - Effect on implementation of activities scheduled during the lockdown
 -
11. What was the response of the SSF program to mitigate the effects of help the MSMEs
 - Actions taken to help the SSF Cooperators and beneficiaries
 - Adjustments taken by the program (e.g. other arrangements)

Annex D6. Guide Questions for OTOP Program Implementors (OTOP Hub and OTOP Next Gen)

1. What is the motivation for coming up with OTOP Philippines?
In Calabarzon , same in other provinces, in terms of training ahead.
2. What are the goals of the OTOP Next Gen and OTOP-Hub?
3. What are the assumptions of
 - a. OTOP Next Gen?
 - b. OTOP-Hub?
4. For OTOP Next Gen
 - 4.1. Did these assumptions materialize during the implementation of the program?

If not, are there changes in the assumptions?

If not, are there changes in the overall framework of the OTOP Next Gen?

- 4.2. What is the structure of the OTOP Next Gen?

Implementation structure of OTOP Next Gen

- Organizational structure
- Responsibility centers
- Respective TORs

Process followed in the implementation of OTOP Next Gen?

- What are the inputs needed (funds? manpower?)
- What are implementation protocols/procedures followed?
- What verifiable outputs are being followed/collection of data for OVI?

Mechanism for sustainability

5. For OTOP Hub
 - 5.1. Did the assumptions materialize during the implementation of OTOP-Hub?
If not, are there changes in the assumptions?
If not, are there changes in the overall framework of the OTOP Hub?

- 5.2. What is the structure of the OTOP Hub?

Implementation structure of OTOP Hub

- Organizational structure
- Responsibility centers
- Respective TORs

Process followed in the implementation of OTOP Hub?

- What are the inputs needed (funds? manpower?)
- What are implementation protocols/procedures followed?
- What verifiable outputs are being followed/collection of data for OVI?

Mechanism for sustainability

6. Monitoring and evaluation system

- Is there an M&E plan used or followed?
- Is there a dedicated unit for M&E of OTOP?
- What data are being monitored?(Ask for specific indicators/data for OTOP Next Gen and OTOP-Hub)?
- Are the data being monitored reflective of the objectives and strategies of OTOP Next Gen and OTOP-Hub?
- Is baseline data collected? (data on beneficiary status before becoming recipient of the OTOP Next Gen and OTOP Hub)
- Can these data be used to assess the contribution of OTOP Next Gen and OTOP-Hub to MSME in terms of productivity, job generation and socioeconomic impacts?
- Do you carry out evaluation of OTOP Next Gen and OTOP-Hub? If yes, what type of evaluation and how often? (e.g. Mid-year evaluation, yearly evaluation)
- How are results of M&E used for decision making?
- Have you observed any gap in your M&E system?
-

7. Gaps in implementation

8. Perception on OTOP-Hub

Relevance (addresses the needs of the beneficiary)

Is OTOP-Hub project able to address the challenges faced by cooperators in operating the business specifically in the aspect of

- a. Financial assistance
- b. technical assistance
- c. improving management skills
- d. assistance in location of the hub
- e. steady supply of products to be sold

How relevant is OTOP-Hub for the MSMEs themselves?

Is a mechanism in place to assess the relevance of OTOP-Hub to the MSMEs?

Effectiveness (the program is attaining its goals and objectives)

1. Is OTOP-Hub able to boost the sale of local products produced by MSMEs particularly the OTOPpreneurs? Is it able to provide a wider audience for these local products? To what extent is it able to help?
2. Are the implementation and coordination mechanisms/strategies/ processes/structures favorable towards achieving the expected results of OTOP-Next Gen?

Efficiency (Program is implemented at the least cost and time possible)

1. With the project's implementation processes and structures in place, would you say that the intended results (from inputs, to outputs, and to outcomes) have been achieved?

2. Are the resources adequate to generate the expected results as planned? Which particular resource/input is inadequate? Are these being addressed? What is the appropriate level of financing to implement OTOP-Hub?

Sustainability (funding is always available; mentoring and training can go on even with minimal funding, etc)

1. Can the project's M&E system enable the assessment of sustainability of benefits from OTOP-Hub?
2. Are the interventions provided sufficient to ensure the sustainability of OTOP-Hub beyond the project implementation? What are these interventions?
3. With insufficient foot traffic among OTOP-Hub brought about by COVID-19 pandemic, what alternative solutions are provided by the PMO/DTI to ensure the continuity of the business? If none, what do you perceive as solutions to ensure continuity?

9. Perception on OTOP- Next Gen

Relevance (addresses the needs of the beneficiary)

Is OTOP Next Gen project able to address the challenges faced by cooperators in operating the business specifically in the aspect of

- a. Financial assistance
- b. technical assistance
- c. improving management skills
- d. assistance in location of the hub
- e. steady supply of products to be sold

How relevant is OTOP-Next Gen for the MSMEs themselves?

Is a mechanism in place to assess the relevance of OTOP Next Gen to the MSMEs?

Effectiveness (the program is attaining its goals and objectives)

1. Is OTOP Next Gen able to level up local products in the areas of design, quality, volume, among others?
2. What problems did you encounter with your local government and private sector partners? How were these resolved?
3. Are the implementation and coordination mechanisms/strategies/ processes favorable towards achieving the expected results of OTOP-Next Gen?

Efficiency (Program is implemented at the least cost and time possible)

1. Are the project's implementation processes and structures capable of delivering and measuring the intended results (from inputs, to outputs, and to outcomes)?
2. Are the resources adequate to generate the expected outputs as planned? Which particular resource/input is inadequate? Are these being addressed? What is the appropriate level of financing to implement OTOP Next Gen?

Sustainability (funding is always available; mentoring and training can go on even with minimal funding, etc)

1. Can the project's M&E system enable the assessment of sustainability of benefits from OTOP Next Gen?
2. Are the interventions provided sufficient to ensure the sustainability of OTOP Next Gen beyond the project implementation? What are these interventions?

10. What was the effect of the ECQ/MECQ on the program?

- Effect on implementation of ongoing activities
- Effect on implementation of activities scheduled during the lockdown

11. What was the response of the OTOP program to mitigate the effects to help the MSMEs?

Actions taken to help the OTOP Cooperators and beneficiaries

Annex D7. Guide Questions for SETUP

1. What is the motivation for coming up with the SETUP?
2. What are the goals of the SETUP?
3. What are the assumptions of the program?
4. Did these assumptions materialize during the implementation of the program?
If not, are there changes in the assumptions?
If not, are there changes in the overall framework of the program?
5. What is the structure of the program?
Implementation structure
 - Organizational structure
 - Responsibility centers
 - Respective TORsProcess followed in the implementation
 - What are the inputs needed (funds? manpower?)
 - What implementation protocols/procedures followed
 - What verifiable outputs are being followed/collection of data for OVI?
6. Monitoring and evaluation system
 - What is the M&E plan used or followed?
 - Is there a dedicated unit for M&E?
 - What are being monitored? Ask for specific indicators/data.
 - Is baseline data collected? (data on beneficiary status before being recipient of the program)
 - Do you carry out evaluation? If yes, what types and how often?
 - o Do you conduct mid-term review/evaluation (data collection on the status of the project implementation)
 - How are the results from M&E used? Were the results used as basis for changes/revisions in implementation? How are gaps being addressed? How are good practices/results disseminated?
 -
7. Gaps in implementation
8. Gaps in M&E
9. Perception on
 - a. Relevance
 - SETUP can help MSMEs in improving business operations and address current problems through appropriate science solutions
 - SETUP enables MSMEs to improve their management capability
 - SETUP is relevant to businesses
 - SETUP can make MSMEs competitive
 - b. Efficiency
 - SETUP enables MSMEs to network with important business contacts and stakeholders
 - MSMEs could easily comply to the requirements of SETUP
 - c. Effectiveness
 - SETUP could improve the management capability and the technical capability of the MSME employees
 - The assistance being provided by SETUP could help businesses grow
 - SETUP standardized and improved the quality of my products
 - d. Sustainability
 - The strategies/innovations being introduced by SETUP can be continuously applied to upgrade businesses
 - The program is being monitored by DOST regularly
 - SETUP can be recommended to other MSMEs

10. What was the effect of the ECQ/MECQ on the program?

- Effect on implementation of ongoing activities
- Effect on implementation of activities scheduled during the lockdown

11. What was the response of SETUP to mitigate the effects to help the MSMEs?

- Actions taken to help the SETUP beneficiaries

Annex E. List of Individuals Interviewed

| Date of Interview | Name | Position |
|--------------------------|---|---|
| Kapatid Mentor ME | | |
| Sept. 10, 2020 | Ms. Cynthia Rivera | Regional Coordinator for Region 1 |
| Sept. 11, 2020 | Ms. Laura Jaraplasan | Regional Coordinator for Region 4A |
| Sept. 18, 2020 | Ms. Laura Jaraplasan | Provincial Coordinator for Laguna |
| Sept. 21, 2020 | Ms. Ma. Corazon Racela | Provincial Coordinator for Ilocos Norte |
| Sept. 30, 2020 | Ms. Juliet Banogon | Regional Coordinator for Region 7 |
| Sept. 30, 2020 | Ms. Claire Clarez Espacia | Provincial Coordinator for Cebu |
| Oct. 2, 2020 | Ms. Alren Gem Gay Neri | Regional Coordinator for Region 10 |
| Oct. 7, 2020 | Ms. Jesusa Abear | Provincial Coordinator for Misamis Oriental |
| Oct. 21, 2020 | Ms. Eunice Flores/ Ms. Julienne Campaner | Coordinator for Region 11 and Provincial Coordinator, Davao del Sur |
| P3 | | |
| Aug. 20, 2020 | Ms. Venus Albay | SBC Corporation representative |
| Sept. 18, 2020 | Ms. Grace Dalangin | Coordinator for Nueva Ecija |
| Sept. 21, 2020 | Mr. Arell Bañez | Coordinator for Northern Luzon |
| Sept. 25, 2020 | Mr. Francisco Buenavides | Coordinator for Visayas |
| Oct. 2, 2020 | Mr. John Riel Tan | Coordinator for Cebu |
| Oct. 7, 2020 | Ms. Caroline Macabenta | Coordinator for Mindanao |
| Oct. 9, 2020 | Ms. Jayssabel Veloso | Coordinator for Davao del Sur |
| Oct. 14, 2020 | Mr. Arnold Suaybago | Baug CARP Beneficiaries MPC |
| Oct. 16, 2020 | Mr. Eric Abistado | Cebu People's MPC |
| Oct. 21, 2020 | Mr. Mark Cris Pascual | Allies Credit Cooperative |
| Negosyo Center | | |
| Sept. 17, 2020 | Mr. Aaron Galang | Coordinator for Region 3 |
| Sept. 24, 2020 | ARD. Daria R. Mingaracal | Coordinator for Region 1 |
| Sept. 24, 2020 | Ms. Teresita F. Tawingan | Coordinator for Region IVA |
| Sept. 29, 2020 | Ms. Jill Maestre | Coordinator for Region 10 |
| Oct. 8, 2020 | Ms. Eunice A. Flores/ Ms. Julian Campaner | Coordinator for Region 11 and Provincial Coordinator, Davao del Sur |
| Oct. 9, 2020 | Ms. Yolanda O. Gallenero/ Ms. Jade Gonzales | Coordinator Region 6 and Provincial Coordinator Iloilo City |
| Nov. 6, 2020 | Ms. Juliet Banogon | Coordinator for Region 7 |
| Dec. 17, 2020 | Mr. Artemio Almazan | Coordinator for Region 8 |
| SSF | | |
| August 13, 2020 | Ms. Cynthia Dela Cruz/ Ms. Michelle Rea | DTI BSMED (SSF PMO) |
| Sept. 17, 2020 | Mr. Leif Samiano | Regional Coordinator for Region 4A |
| Oct. 5, 2020 | Ms. Donna Jane Rojo | Regional Coordinator for Region 10 |
| Oct. 6, 2020 | Ms. Jobelle Raut | Regional Coordinator for Region 1 |
| Oct. 22, 2020 | Ms. Elezenda N. Añinon | Regional Coordinator for Region 11 |
| Oct. 28, 2020 | Mr. Jose Antonio Toledo | Regional Coordinator for Region 3 |
| Oct. 30, 2020 | Mr. Mark Aristotle Cabagnot | Provincial Coordinator for Cebu |
| Nov. 3, 2020 | Ms. Ermelinda Pollentes | Regional Coordinator for Region 6 |
| Nov. 25, 2020 | Ms. Bea Kathryn Cobias | Provincial Coordinator for Davao del Sur |
| Nov. 27, 2020 | Ms. Hazel Napolis | Regional Coordinator for Region 8 |

| Date of Interview | Name | Position |
|-----------------------------|-------------------------------|---|
| Dec. 9, 2020 | Mr. Kevin Yaptenco | Academe-based SSF Cooperator |
| One Town One Product | | |
| Sept. 10, 2020 | Mr. Clarke Nebrao | OTOP Consultant and PMO Staff |
| Sept. 10, 2020 | Ms. Lomarie Linglingay Galvan | Regional Coordinator for Region 4A |
| Sept. 10, 2020 | Ms. Laura Jaraplasan | Provincial Coordinator for Laguna |
| Sept. 21, 2020 | Ms. Ma. Corazon Racela | Provincial Coordinator for Ilocos Norte |
| Oct. 2, 2020 | Ms. Alren Gem Gay Neri | Regional Coordinator for Region 10 |
| Oct. 27, 2020 | OIC PD Ma. Dinda Tamayo | Regional Coordinator for Region 6 |
| Oct. 28, 2020 | Ms. Ma. Rita Fe O. Garcia | Regional Coordinator for Region 3 |
| Oct. 30, 2020 | Ms. Ma. Elena Gabato | Provincial Coordinator for Cebu |
| Nov. 16, 2020 | Mr. Gian Paolo Brilata | Regional Coordinator for Region 8 |
| Nov. 19, 2020 | Ms. Meriam Sarabillo | Provincial Coordinator for Davao |
| SETUP | | |
| Sept. 23, 2020 | Mr. Trinidad Sager | PSTC Laguna |
| Sept. 24, 2020 | Mr. Jonathan Viernes | PSTC Ilocos Norte |
| Sept. 25, 2020 | Dr. Arnaldo T. Amosco Jr. | PSTC Eastern Samar |
| Sept. 30, 2020 | Engr. Tristan Abando | PSTC Cebu |
| Oct. 2, 2020 | Engr. Junelyn Louvena B. Ruiz | PSTC Misamis Oriental |
| Oct. 6, 2020 | Dir. Alexander Madrigal | SETUP DOST Region 4A |
| Oct. 6, 2020 | Ms. Emmie Bagsit | SETUP DOST Region 4A |
| Oct. 6, 2020 | Ms. Lyn Fernandez | SETUP DOST Region 4A |
| Oct. 7, 2020 | Ms. Meriam Boquia | PSTC Agusan del Norte |
| Oct. 8, 2020 | Dr. Emelyn Flores | ARD of DOST Region 6 |
| Oct. 9, 2020 | Ms. Lea G. Mayol | PSTC Davao del Sur/DOST Region 11 |
| Oct. 16, 2020 | Engr. Elman Torres | PSTC Nueva Ecija |
| Oct. 16, 2020 | Ms. Dyna Tibubos | PSTC Aklan |
| MSMED | | |
| Sept. 3, 2020 | Dir. Jerry Clavesillas | MSMED Council – DTI BSMED |

Annex F. Documentation of FGDs

Annex F.1. KMME

KMME Program Management Unit Focus Group Discussion

DTI Regional Operations Group

Philippine Center for Entrepreneurship – Go Negosyo

DTI CARAGA and Provincial Offices

Agusan del Norte, Agusan del Sur, Surigao del Norte, Surigao del Sur, Dinagat Island)

FOCUS GROUP DISCUSSION – KAPATID MENTOR ME

Date: August 19, 2020 and October 23, 2020

GOALS OF KMME IN THE REGION AND PROVINCES

- KMME is a national program so there is no specific objective goals and objectives for the provinces. There are just different targets
- When KMME started, they focused on the food processors
- The KMME Program started in 2016 and launched in 2017. Motivation is to assist MSMEs. While DTI provided seminars and trade fairs, there was no pathway type of assistance, no continuum. The mentors and lecturers were not entrepreneurs and not talking out of experience. The mentees cannot use the examples cited by the mentors because the mentees cannot relate to it as these are not based on experience. A gap needed to be filled.
- Based on this, a pathway type of continuum was drawn by PCE up by coming up with a module covering various stages. The modules were piloted in Laguna and Mandaluyong. After the pilot run, consultations were made, revisions of the modules based on the result of the run and the consultations, then roll out. DTI and PCE worked together through a MOA. At the start, no guidelines were drawn, and the program was adjusted based on the gaps and feedback for improvement. Feedback includes the need to have modules on access to market, more mentorship hence the focus on 3Ms: money, market and mentorship - access to capital, access to market and continuous training
- To capacitate the MSMEs, enhance their entrepreneurial and management skills to scale up business operations

FACTORS NECESSARY FOR SUCCESSFUL IMPLEMENTATION (ASSUMPTIONS)

- The budget is higher during face-to-face sessions given the logistics and travel costs
- Internet connection is important in the implementation of KMME in the new normal
- The downloading of information on the implementation and the guidelines is also a factor in successful implementation
- There should be close monitoring to the mentees
- Passion of the mentees, as they want to be capacitated particularly on the aspects of taxation, financing and entrepreneurial skills.
- Passion of MSMEs (strong, selfreliant) mentors that has actual experience to be able to provide advise that is based on reality; modules (OK but difficult to understand or internalize in one day); nursemaiding of DTI; continuous assistance from DTI provincial office or NCs so they wont be left on their own (follow ups); funding for the MSMEs, “nothing is free, you must have counterpart”
- Coordination with program stakeholders especially PCE as they have the connection to the right organization whom to tap to serve as mentors; Mentors who guide the mentees in the BIP; budget

STRUCTURE OF THE PROGRAM

- As of now, KMME is lodged in the SME Development Division of regional office with 4 staff
- For face-to-face implementation, the coordinator and one staff are assigned
- The coordinators for KMME is also assigned for NC
- The regional reports from the provinces consolidates reports for submission to ROG
- SMERA (SME Roving Academy) is the source of budget for KMME before

MONITORING AND EVALUATION SYSTEM

- No. of runs, no. of mentees selected for the current batch, no. of mentees graduated, KMME program promo activities (tv and radio interviews, guestings)
- Database is encoded to online excel file (2017-2020 database of mentees for KMME) – Data catalogue/KMME catalogue
- Indicators are monitored in CPMS
- If MSME will apply for a program, their records will be updated in the CPMS. If they do not avail other programs, then their data would not be updates (specifically the data on sales)
- There have been assessments in the provinces among mentees
- Agusan del Sur had video documentation of success stories and posted them to Facebook pages
- Enterprise Development Track is the updated version of SMERA – same goals
- As of now, EDT is integrated in CPMS
- The data from the database is submitted to BSMED through email. There is no real-time updating of the system
- There is validation in the level of provincial office of the data submitted to regional before forwarding to head office
- Evaluation process of KMME
 - So far, there is still no evaluation of the program done in the regions
 - There has been an impact assessment for NC

GAPS IN IMPLEMENTATIONS AND M&E

- The program has good objective. Although, there should be constant follow ups to the MSMEs to encourage them to pursue their businesses

PERCEPTION

- Relevance and Effectiveness
 - *Malaking tulong ang KMME, marami ring success stories at umangat*
- Efficiency
 - For the online, generally efficient naman ang cost and time. Although there are sessions that needs longer time (based on mentees) to further grasp the topic

EFFECT OF ECQ/MECQ

- Shifting to online
- Generally, based on discussions, many of the MSMEs find it difficult to adjust tot he pandemic. Most are affected in the operation and sales.
- Even food industry is affected specially the restaurant owners

OTHER NOTES

- The demographics is a factor in the implementation since there is screening for the participants of the program
- Currently in the middle of second run in CARAGA

- Hope that the KMME program will continue because of its perceived benefits to the MSMEs
- Types of MSMEs are covered but mostly on food industry, (resto, innovative food), industry (driving academy, spa, computer supplies; hopes that the KMME program will continue as this has positive impacts. Based on the BIP, MSMEs have reached and even exceeded their goals and some are now giving back.
- Need more funds for continuity of KMME
- Cebu Chamber is the partner organization of PCE, mentor accreditation has been facilitated; Program should be sustained, because MSMEs are assisted in terms of business direction; online platform is better even after pandemic; other topics like digitization and e commerce can be added to the modules
- Sees the need to improve M&E – systematic
- Difficulty in online training is the internet connectivity

Annex F.2. P3

Conduits:

Bankerohan Vendors Credit Cooperative

SUMAPI Multipurpose Cooperative

IBON Multipurpose Cooperative

GLEDCO Multipurpose Cooperative

SNPOSA Multipurpose Cooperative

FOCUS GROUP DISCUSSION – PONDO SA PAGBABAGO AT PAG-ASENSO

Date: November 27, 2020

BACKGROUND OF THE CONDUIT

- IBON MPC
 - Started in 2003 as cooperative with 23 members, now 5550 members
 - The fade up share capital started in 2006, now around 17M with total assets of around 144M
 - Membership is multi-sectoral and started with grassroots because the barangay is more on service providers like tricycle drivers, laundrywomen, vendors and sari-sari store owners.
 - Started in barangay-based and expanded in municipal based and the provincial wide operations (there is a recent amendment to expand the coverage to region 6)
 - As of now there are 6 outlets in the province of Aklan (main office in Numancia, Aklan and there is branch in Kalibo)
 - Source of funds: capital investment of members in fade-up share is around 17M, time and regular deposits, kiddie savings form lab coop
 - Latest count of credit liabilities is around 20M
 - There were statutory funds
 - Due to high demand of products, the coop looks for external sources like SBC and LandBank and DA-ACPC (around 60M from the government)
 - The coop operates a rice processing center which is also a donation from DA and they are recipient from pre- and post- harvest machineries
 - 15M credit line in P3 for the second cycle (10M in the first credit line)
- SUMAPI MPC
 - Started in 2006, with initial members of 100 with fade up capital of 62500
 - Already going 14 years as a cooperative
 - Twice registered, one was for RA 6938 and then under RA 9520
 - Office in Sta. Cruz, Laguna
 - Goals: (1) to increase the income capacity of members and to awaken them through trainings and quality services; (2) provide an affordable financial service and ensure the equal return of their investment and savings; (3) strengthen our membership and capitalization to provide additional program and services; (4) propagate the spirit of cooperative, unity and responsibility to members and covered villages and barangay including the promotion of protecting the environment and natural resources through community activities and services
 - Programs: savings, laboratory cooperative (for children of members that are 17 years old and below), credit program (micro, for women, and SMEs, relending or wholesale intended for coconut farmers, agri-aqua for farmers with high value crops, for fisherfolks, rice farmers with max 3 hectares), small amount for rice trading
 - Source of fund: shared capital (initial is 500 up to 2500 per member), savings, regular and time deposit, income from income generating projects, outside

borrowings (from financial institution), they are also a lending conduit of ACPC in their PLEA program

- Currently with members of more or less 2500
- Fade up capital as of end of October is around 7.8M
- Currently, the credit line is about 5M (they are now just have been renewed for another 5M)
- GLEDCO MPC
 - Operating in Ilocos Norte
 - Started as an LGU-based coop but due to growth, they opened it to associates to non-government employees
 - As of now, there are 2500 members to which half are government employees of Laoag and half is microfinance, barangay officials, tricycle drivers, mixed-group and depositors
 - Considered biggest cooperative in Ilocos Norte
 - Total assets already reached 1B mark as of now
 - Main service is loan to government employees in Laoag and microfinance for businesses, farmers, fisherfolks etc.
 - They operate 5 different gasoline stations, groceries, cafeteria of city hall, water station, 3 soft drinks dealership business among others
 - P3 is just one of the sources of funds. P3 is mostly used for microfinance operating salons, barbershops, farmers, fisherfolks
 - Credit line in P3: 40M was approved but currently, 20M is availed to be totally paid by December this year (first cycle)
 - Sources of funds: capital build up of members because they are required to pay monthly for the capital build up and financial institutions like Landbank and DBP
- SNPOSA MPC
 - Coop has lending, merchandising and catering
 - Source of income: service fee, processing deducted in loans
 - Source of funds for re-lending aside from P3: from LandBank
 - Total number of members: 540 as of now
 - Total capitalization: 9M+
 - Asset is 24M
 - Started in December 2009

MOTIVATION IN AVAILING THE P3 PROGRAM

- IBON MPC
 - Maganda ang layunin ng P3; how it is discussed as a program to liberate the MSMEs in usurious lending is very attractive
 - Transitioning from loan sharks and then to loans with 2% a month is a big thing
 - In the coop, the cost of fund is low for P3 compared to other external sources
 - The program helps the cooperatives and also the MSMEs
- SUMAPI MPC
 - Two reasons for availing the P3 program: (1) since there is a goal to provide the affordable financial services of the members; (2) the coop is really challenged given that there is still no coop in Laguna who have availed the program so they tried to see if they would pass in the standards of SBC and to check if the coop's path is still on the right track
- GLEDCO MPC
 - The interest given by SBC is low so it is more possible for the cooperative to offer it to the MSMEs at a low or affordable rate
- SNPOSA MPC
 - Members are usually farmers, fisherfolks and businesses (sari-sari store)

- The coop opened microfinancing and livelihood loans which is quite similar to P3

FACTORS FOR THE SUCCESSFUL IMPLEMENTATION OF P3

- IBON MPC
 - Policy systems and procedures in the implementation of P3
 - They see to it that the right person is implementing the guidelines of P3
 - The personnel assigned should have the necessary trainings
 - Logistics is also a factor
 - The evaluation should be risked-based
 - The term and mode of payment is customized based on the cash flow of the MSME
 - There is an interview to evaluate the project cash flow and the borrower; CI to the borrower is done
 - The coop looks as to whether the business is still on trend
 - MSMEs whose business are about food and agriculture are timely
 - The coop allows daily, weekly and monthly (they don't go beyond monthly)
 - 3-month term is given specially to stores
 - As of now, P3 is flexible in terms of loans. They can extend up to 2 years
 - They really look into cash flow, sustainability and profitability of the project
 - Range of amount credited to members (10K to 100K)
 - Assigned collectors were hired after the P3 program was approved to do collections in the field. There were also walk-in payments
 - There were defaults but just temporary
- SUMAPI MPC
 - The process for the P3 loan in the coop is patterned on the existing micro loans offered
 - Orientation, group meeting, group cohesiveness, mapping and then CI
 - DTI registration is required
 - Loan approval is strict from 10K to 15K as they were mostly microenterprises
 - 6 months to 1-year term is given to the borrowers
 - Collection is done through walk-in and there are also collections done in the field
 - There is schedule per day, week or month depending on the terms signed
- GLEDCO MPC
 - One of the requirements for the members which is also required by CDA is that the members should have TIN which is also a challenge for the coop
 - The loaning process and implementation for the P3 program is different than other loans offered by the coop. The GLEDCO is used to payroll-based loaning while the P3 program needs to go out for collection
 - The challenge for this is that there are also borrowers without permanent location so it is difficult to collect payments
 - The collection for P3 is more strenuous as they really have to go through the barangays which needs additional logistics
 - Collection for P3 is customized per client, whether daily or weekly, but for farmers it is seasonal

PROCESS IN THE APPLICATION PROGRAM APPLICATION

- IBON MPC
 - Letter of intent was submitted supported by board resolution
 - Requirements are: 3 years financial report, aging of loans receivable, target beneficiaries of P3 funds, validation of would-be borrowers and their projects/business

- After draw-down, there is promissory note sent to the coop
- There is also loan agreement
- Documentary requirement asked: registration, certificate of good standing, mayor's permit
- SUMAPI MPC
 - Authority to investigate was asked from the coop
 - Certificate of good credit standing from financial institutions
 - For draw down, submitted are: request letter, prospective borrowers
 - Upon release requested from the coop are: interim financial statement, aging of account, schedule of end borrowers, PN disclosure, amortization schedule, post-dated checks
- GLEDCO MPC
 - For the second cycle, the identification and personal information of officers are required
- SNPOSA MPC
 - The coop applied for accreditation to DTI and then they were referred to SBC
 - Application form was submitted to DTI. They were offered 3M
 - 1.5M+ during the second cycle (ongoing)
 - Seminars with member borrowers are conducted and then those interested can apply.
 - CI for the members are done to see if they really do have an existing business, this is also the basis of the release of loans
 - Documentary requirements: if less than 20K – certification from the barangay that they have an existing business and loan application

EFFECT OF ECQ/MECQ

- IBON MPC
 - During pandemic, specially in March and April, collection is really affected
 - Personal visits were done to see if the MSMEs really can't pay based on their cash flow. Kung kaya ng cash flow, payment will continue
 - SBC initiated and reached out that the amortizations for March and April are not included to PDC
 - In Bayanihan, the people slowly adapted to the COVID situation that is why even though there is moratorium on the collection, the MSMEs voluntarily paid
- SUMAPI MPC
 - In the coop, there is a moratorium released, also a memo from CDA, for the postponement of amortization for 60 days and another 30 days from the Bayanihan Act
 - A letter was sent by the coop to SBC during the lockdown because there were accounts that are due. Around June, there was an agreement because the coop asked if they can use the funds from the P3 loan since SBC still can't collect them due to Bayanihan Act provisions
- GLEDCO MPC
 - Collection activities were lessened
 - Establishments are visited to see if they can still pay
 - Payment to SBC is continuous although there is moratorium
- SNPOSA MPC
 - Income of MSMEs is negatively affected so collection is also affected
 - Transport of goods have been difficult

PERCEPTION

- IBON MPC
 - The program is very relevant because of the problem on the high lending rate (from loan sharks). The cooperative is able to buy-out the small businesses. Instead of paying for the interest from the 5-6, they can now have it as their income.
 - For the coop, the increase in income and savings of the members is a big factor in the attainment of the goals of the organization and sustenance of businesses\
 - High impact to the local economy and household income. This also has helped the coop in terms of income
- SUMAPI MPC
 - Based on feedback from members, instead of lending from shark loans, they choose to avail the P3 loan through the cooperative as it has less interest and viable as well as the term and mode of payment
 - Impact of the program: Most of the borrowers uses the loans for sustenance of the business and now that the interest is less, they can earn more income which they can't do when borrowing from 5-6
- GLEDCO MPC
 - Malaki ang naitulong ng P3 dahil yung mga dating maliit na negosyo ay nag-improve (lumaki ang mga sari-sari stores, nagexpand ang fisherfolks in terms of pinapalaking isda, expansion sa piggeries)
- SNPOSA MPC
 - The program helped the end borrowers through uplifting their lives
 - Some of the businesses expanded although some did not

OTHER NOTES

- IBON MPC
 - 20% of the members who availed the P3 were randomly selected for the auditing done by SBC
 - After draw down, time is allotted for the release of the loans to the borrowers. Upon submission of the coop to SBC specifying the amount, the list of borrowers, that is when they select samples for the auditing
 - During the auditing, the coop assists the SBC staff in locating the borrowers
- SUMAPI MPC
 - Two teams conduct auditing: one is particular in the law of the loan, schedule of release of loans in the area and the amount; another team is assigned on the system such as PN disclosure, proper filing (if followed), if the disclosures tally with that of SBC's
 - From region and head office are the ones conducting the field auditing
 - Current end borrowers for P3: more or less 180+
- GLEDCO MPC
 - Current end borrowers for P3: estimate is around 400 members
- SNPOSA MPC
 - 200K is the highest loan amount – this would need collateral (no collateral for less than) with 1-year term
 - Collaterals are usually real properties
 - Collection is done through walk-in. Members pay through the tellers in the coop
 - For micro, there were collectors assigned for payment through field. This is done weekly
 - 50 plus members avail P3 loan
 - There is just one remaining unpaid account
 - If there were defaults, there were follow ups, personal collection is done and if necessary, meeting with barangay officials are held

Annex F.3. NC

NC Project Management Unit:

Director Emma C. Asusano

Ms. Maricor R. Banaga

Ms. Lovely Joy Chan

Regional Coordinator for CARAGA and Provincial Coordinators

Ms. Fritzie Rose G. Ilagan

Ms. Althea Acevedo

Ms. Jasmin Faelnar

Ms. Nichol May Fortun

Ms. Charmaine Jonice Nabio

Ms. Cora dela Peña

Mr. Renato Corvera

Ms. Berna Theresa Vasquez

FOCUS GROUP DISCUSSION – NEGOSYO CENTER

Date: August 18, 2020 and October 23, 2020

BACKGROUND OF ESTABLISHING NC

- First NC in CARAGA was established in 2015
- 44 NCs as of May 2020
- The target is 73 NC established
- NCs are with MOA with LGUs
- For SDS, they started in root areas. Another consideration is the request of Mayors
- In ADN, started with cities and the bigger municipalities far from cities. The more willing the LGU, the easier it is to establish NCs

Other Notes:

- The FGDs and KIIs revealed that NCs have become a one-stop-shop and served as the mini DTI in the localities. It was specifically pointed out that, through NCs, programs of DTI have become more visible and accessible to MSMEs and clients even in far flung areas. The NC's one look and its proximity to areas most accessible to MSME clients is very strategic to promote the Center's services and features. Also, the respondents affirm the observation indicated in the NCIA Report that doing business has become easier for MSMEs due to relevant and useful NC services, client-oriented BCs, entrepreneurial empowerment through skills training and provision of business information and improved access to services such loans facility and possible investment opportunities.
- Based from the FGDs and KIIs, these information is available in the Client Profile and Monitoring System (CPMS), the database use and updated by BCs to capture all the assistance provided to MSMEs. This database, however, is only available for internal monitoring of DTI.
- In terms of relevance, KII and FGD participants indicated that they considered NC as a very relevant initiative from DTI. It shares a common goal with LGUs that is to improve the business climate in their localities.
- The KIIs and FGDs also validated the TOC and affirmed the NC Program's objectives, implementing scheme, and the expected results.

Annex F.4. SSF

SSF Cooperators

Academe (Central Luzon State University), LGU Peñaranda, Greenminds Inc. (Association),
Cooperative (CEFEDCO)

FOCUS GROUP DISCUSSION – SHARED SERVICE FACILITIES

Date: January 7, 2021

BACKGROUND OF THE SSF

- LGU
 - Project of SSF: Pottery started in March 2015
 - Turned over to DTI and DTI provides support through seminars and printing
 - No transportation since LGU refused to give support to SSF; Due to this, difficulties in buying materials arise
 - Has at least 12 employees/workers that share profits made through pottery
- Association
 - Partner with DTI for 7 years
 - Products are processed peanuts and organic peanuts
 - Established as an NGO then eventually a social enterprise
 - Dealing with group of about 20 farmers that they trained for organic farming
 - Promote peanuts (Pili Peanut) as way of rehabilitating the soil
 - Developed more products with the equipment provided by DTI since not all equipment are affordable
- Cooperative
 - Products are: UHT products, choco milk, fresh milk, white cheese, whipped cream and other dairy products
 - 29 years in operation
 - Looking for fundings and grants providing new machines to be able to help MSMEs improve their products then they applied in SSF
 - Farmers are the owners of the cooperative
- Academe
 - Started food processing SSF in 2019
 - No production of products but rather the objective is to help neighboring MSMEs in the province to use the facility if they don't have the capacity to buy
 - Granted 4 food processing facilities: Vacuum Fryer (vegetable chips), Spray Drier (Calamansi to calamansi powder), Freeze Dryer and Vacuum Packaging Machine
 - Stopped operation since pandemic

MOTIVATION IN AVAILING THE SSF

- LGU
 - Every month - sales and employment status
 - DTI also provides seminars and moral support
- Association
 - Organic farming; organic peanuts
 - DTI provided; made it much more accessible
 - With new equipment, new variants of products such as peanut butter avvvvv
 - Expand; *masyadong reliant sa weather or clinet yung tanim ng peanuts*; basically more partner farmers
 - Data submitted to DTI: monthly data - employment and sales via email
 - and they visit the site and check on the equipment (quarterly)
- Cooperative

- 29 years in operation; chairman is looking for agencies willing to help or grant MSMEs to provide machines and products; need *na mapalitan*; as a cooperative, maraming farmers; continuously looking for machines and funding; DTI through SSF Program grants machines needed
- Helped a lot with SSF especially with production of milk
- 500 L before in a day (8 hours); with new machine (exchanger and homogenizer)- 1000L or more in a day (8 hours)
- Sales dependent on the volume of milk given by the farmers to be processed by CEFEDCO
- Monthly monitoring of machines; 1st grant 2015; based on the record submitted - sales was increased
- Academe
 - Purpose of the facilities to help in using machine; rent out because they don't have the capacity; granted 4 food processing equipment (vacuum fried - vegetable chips, spray dried)
 - No sales in terms of product
 - Income from rental fees submitted monthly (template provided by DTI)

FACTORS FOR THE SUCCESSFUL IMPLEMENTATION OF SSF

- LGU
 - Materials are available however transportation
 - Support from LGU should be continuous
 - Accepts limited orders only due to the lack of pottery makers
- Association
 - Application process was easy with the facilitation of DTI; However, procurement process took around 8 months to 1 year
 - If stable market for a product, more farmers and good supply
- Cooperative
 - Farmers
 - As long as there is market to be able to maximize the machine given by DTI
- Academe
 - Dependent on the willingness of MSMEs to rent
 - *Tuloy tuloy* na monitoring of DTI *para magmaterialize*
 - Dependent on the kind of SSF
 - Matching the needs of MSMEs
 - Procurement- no DTI staff to check the technical side of the procured *gamit*; no in house engineer; relies on what the end user has to say but technicality feature of the machine
 - Researchers also use facility

PROCESS IN THE APPLICATION PROGRAM APPLICATION

- LGU
 - Pottery
- Association
 - Easily produced requirements
 - *Natagalan* procurement process more than 8-month to almost a year
 - Process of approving the equipment easy but procurement long
 - Monthly data (employment and sales) and visitations done to check on the equipment
- Cooperative
 - DTI helped a lot with the SSF especially in production part
- Academe
 - Application and delivery of machines took about 4 months

- Procurement problem: No staff from DTI to check the technical. No in-house engineer. They rely on what the end-user has to say.

EFFECT OF ECQ/MECQ

- LGU
 - *Tumaas ang pottery dahil maraming nahihilig sa halaman*
 - *Maraming mahilig magtanim*
 - *Nagkaproblema nung nakakuha ng reject na lupa*
 - *Problem i transpo*
 - *Tuloy tuloy lang continued op*
- Association
 - About 50% reduction of sales because most of the outlets are malls; malls were closed during the start of the pandemic; *lugi pa rin if ever konti lang nagpupunta mall*
 - Now they are open; however, volume of people are not the same as before
 - Manila market *di pa rin napadala*
 - Eventually, now, resume, manila started ordering
 - Irregularities of cargo
 - *Regular na ang courier so nagpapadala na ulit*
 - Mindanao relies on the usual market and buyers
 - Tried to use online platform
 - Around 60% production as of now
 - Undergone online e-commerce
- Cooperative
 - *Malakas production through online selling*
 - Some became resellers; *unti unting nawala nung bumalik na sa work*
 - Main customers- coffee shops-closed due to lockdown; *walang masupplyan; humina dito*
 - Everyday farmers extract milk raw then process and cater to customers
 - *Humina around 50% pero bumabawi na* as of now since milk is a basic need
 - House to house selling, some are walk in and also online
 - Government agencies also get milk; big effect
- Academe
 - Totally closed; campus will not operate since *bawal po pumasok sa campus* since march 2020; clients not allowed

PERCEPTION

- LGU
 - *Okay and maganda dulot*
 - *Mga naturuan magtayo ng pottery and what to do*
 - Helpful to people in Penaranda because they are given jobs especially pre-pandemic
- Association
 - Program is good and helpful but the concern is the maximization
 - Group is organic and therefore limited to the area specified; in result, significantly low supply; as of now, expanding and looking for more farmers
 - Overall impact for Micro enterprises - very okay to have assistance like this from the government
 - Growing of crops is dependent on the weather
- Cooperative
 -
- Academe
 - Difficulty to deal with MSMEs who want to use the facility

- DTI refers CLSU then MSMEs only until first meeting
- Academe- *equipment lang ang mapapahiram, gasul and other consumables hindi na; so pag nakakausap di na binabalikan*
- Vacuum fryer 5 to 10 kilos per batch
- Needs more advertisement

OTHER NOTES

- LGU
 - They can learn pottery and work at LGU Penaranda
 - SSF may be used, payment only for the water and electricity consumption
- Association
 - Better if government will have an active collaboration for a certain project on where to put the SSF - Department of Agriculture (promotion of certain products, in this case, peanuts), Department of Science and Technology (technology development, processes for production)
 - Problem: Supply part, Sustainability
- Cooperative
 - SSF is really helpful for MSMEs
 - Equipment is also shared with members of the COOP; not by letting them handle it but through buying raw milk from the farmers
- Academe
 - DTI is very generous and also with providing needs
 - Most SSF has production, except for academe; easier to utilize the equipment; challenge for academe because intended for others not for the academe
 - Recommend: close coordination with DTI to materialize and encourage MSMEs to utilize equipment within the academe with minimal fees (for power consumption and utility)
 - Also join exhibits, trade fairs, guest in radio for promotion
 - SSF Mostly used by students for their thesis

Annex F.5. OTOP

DTI Provincial Offices (Aklan, Nueva Ecija and Misamis Oriental)

FOCUS GROUP DISCUSSION – ONE TOWN ONE PRODUCT

Date: January 13, 2021

BACKGROUND OF THE OTOP

- In 2002, OTOP used to have selection of products anchored on Local Government Units
- It evolved to OTOP Next Gen which gave way for the inclusivity of all products with competitive advantage and passed the criteria

FACTORS FOR THE SUCCESSFUL IMPLEMENTATION OF OTOP

- 2019 - Memorandum on implementation of SAT (Screening Assessment Triage); More intensive product development
- March 12, 2018 - ROG Issuance of Memorandum on OTOP Next Gen Assessment, Consultation and Triage (ACT) Implementation Guidelines (Phase 1)
- Memorandum on IMAC (Intensified Product Market Access and Development/Promotions, Capacity Building and Costing) implementation (Phase 2)
- OTOP Hub guidelines for implementation, standard look

PROCESS IN THE APPLICATION PROGRAM APPLICATION (Monitoring and Evaluation)

- Output needed: prototypes
- Number of trainings conducted and MSME beneficiaries assisted through trainings
- Monitoring done through phone calls and/or facebook messenger since the start of the pandemic; some visitations but not as frequent
- Monthly accomplishment for OTOP Next Gen
- Around 2019 to 2020, indicators for export sales were added (report)
- Mostly recommended by *Negosyo* Center
- Electronic Client Performance Monitoring System (ECPMS)
- Data disaggregation done quarterly for all programs not just OTOP

EFFECT OF ECQ/MECQ

- OTOP Hubs closed operations
- Held virtual trade fairs such as *Pasinaya*, PLDT *Kaasenso*, and Regional Annual Trade Fairs instead of Physical Trade Fairs; Coordinated by OTOP PMO

PERCEPTION

- Multitasking is a constraint since most are not focused on just OTOP Next Gen

OTHER NOTES

- Pushing for OTOP to be part of the law; presented in congress
- Availability of experts is a major concern

GAPS

- Expectation: product development for MSMEs however, it is hard to handle with limited manpower
- Multitasking is a constraint due to the number of programs handled; not focused on OTOP
- Limited pool of experts based in the province; mostly in Manila

Annex F.6. SETUP

DOST Region 4A

Office of Regional Director and Office of Assistant Regional Director for Technical Operations

FOCUS GROUP DISCUSSION – SMALL ENTERPRISE TECHNOLOGY UPGRADING PROGRAM

Date: October 6, 2020

PROFILE OF RESPONDENT

- **Ms. Emmie Bagsit**
 - Chemist
 - 23 years in DOST CaLaBarZon, almost 15 years in Laboratory as Head Management and Administrative Function as Supervising SRS, Assistant Regional Director for Technical Supervision
 - Division Chief (plantilla position) - Chief Science Research Specialist
 - 6 to 7 years involved in the implementation of SETUP national program of DOST, SETUP Supervision (signing of MOA, recommendation of result of technical evaluation of proposals)
 - She will evaluate the proposal first before the approval of the Regional Director
- **Ms. Lyn Fernandez**
 - 19 years in DOST CaLaBarZon
 - SETUP started in the Region on 2002, Ms. Fernandez was already part as contractual from the start
 - Regional Project Monitoring Office (RPMO) linked with the Provincial Office
 - Receives all the requests of the proponents, from evaluation process to approval until implementation
 - Conducts initial evaluation from the recommendation of the provincial directors.

ORGANIZATIONAL STRUCTURE

- From PSTC to RPMO Chief then for final approval of Regional Director

Evaluators are outside DOST CaLaBarZon – Research Institute of DOST, private organizations, from academe (UPLB).

EVOLUTION OF SETUP

- Per Regional Director Madrigal, DOST commissioned the ***SETUP Impact Assessment conducted by DAP***, submitted in the office of Under Secretary. Results was presented to the Regional Directors (RDs) but there's still no face-to-face forum about it in the RPMOs to discuss the result. Copies of the report was given to the RDs, salient points and salient recommendations. There are still clarifications from the level of Under Secretary and Assistant Secretary, there are data that should still be reanalyzed.

Gauge on how to measure (numerical value) Regional GDP as additional indicator for evaluation

Ms. Bagsit recommended to look for the numerical value/gauge on how to measure the contribution of the program to the regional GDP, how does it help the economy of the region and how does it contribute to the economic development of the program? This should be an additional indicator to be able to evaluate objectively the program.

Economists have their own methodologies, variables, and parameters to measure this. The present data or information that is being gathered should be reviewed to see if the GRDP can already be measured by the available data of the program.

5 Priorities in Region IV-A

- Food, Metal, Health and wellness, Agriculture, and Aquaculture
- Priority sectors are incorporated in the guidelines of SETUP, 11 priority sectors imbedded in the guidelines. It just so happened that most of the MSMEs present in the region or province came from the food sector, metals and engineering, agriculture, etc. All the 11 sectors are priority of the regional and provincial office.
- Other agencies that are also assisting MSMEs were also consulted in the selection of the 11 priority sectors of SETUP.
- Majority of the projects in Region IV-A are classified in the Food Processing Sector. Laguna and Cavite has high number of assistance with Metals and Engineering Sector (fabricators and support industries).
- Priority sector 11 includes other regional priority sectors approved by the RDC (approved regional industry cluster).
- **2019 SETUP Guidelines (SETUP 2.0)** includes new industry sector like the energy and creative industry.

Linkage with other agencies

- RDC has sectoral committees, SETUP is under the Committee on Economic Development being chaired by the DTI, wherein DOST is actively participating. If there are changes in the national or regional policies/priorities, DOST participates as member of the committee. DOST also regularly report the contribution of the SETUP program/totality of the DOST program in the MSME development.

Aside from SETUP there are still other assistance that DOST provides to MSMEs. SETUP is a program for single proprietorship/corporation. Cooperatives and LGU-facilitated groups established has different assistance being provided by DOST.

DOST has the Community-based Program for “nano” corporations, group of organizations of “very” micro enterprise like groups of women (*Grupo ng mga Kababaihan*), group of fisher folks, and group of differently abled organized by the LGUs (association or people’s organization). This program is a grant while SETUP has repayment. Community-based project is funded thru GIA – no repayment. This is differentiated with SETUP because SETUP beneficiaries are corporation or single proprietorship ownership. DOST is hoping that beneficiaries of the Community-based program will eventually grow, graduate from CBP, and become feeder for the SETUP program.

Thru the years, there are less than one percent CBP graduate who also availed SETUP (not a significant number, very very small number). One classic example is the existing project in Laguna, a Rice and Corn Milling who is a CBP project awardee that ventured to bigger production after he graduated that's why they availed the SETUP program. There is also another beneficiary in Batangas with Tamarind product and SASA of Talisay (smoked *bangus* product).

People's Organization can avail twice for CBP, if they ventured to a bigger production and equipment, DOST will assess the firm if they can now avail the SETUP program; if they are now capable to pay for refund.

Certain indicators to say that the graduate CBP beneficiary can now avail SETUP

- Beneficiaries' capability to refund (equipment are lease to own)

REFUND COLLECTION

During project implementation, the first year (1 year) is dedicated in purchasing, installing, commissioning, and testing of equipment. Beneficiaries are given 1 year for this process. Repayment will start after this 1 year.

Beneficiaries will give post-dated checks after the MOA signing, corresponding with their refund amount for the project. Refund/repayment schedule is already attached in the MOA.

PSTC reminds all SETUP beneficiaries for their monthly dues for the beneficiaries to be able to deposit fund in the account.

The program has deferment/re-scheduling of refund for events like force majeure/uncontrollable situation. There is also a deferment or consideration if the equipment acquired are not working.

MARKET PENETRATION/EXPORT MARKET

This data can be extracted from DAP Impact Analysis.

SETUP TRANSITIONING FROM FIRM-BASED TO INDUSTRY LEVEL APPROACH

The program is still not fully transitioned; it is still in the early stage of transitioning. At this point, they started to determined industry sectors like metals and engineering, food, agriculture, and electronics (**SETUP 2.0 Project**). Project proposal and documents are with the NPMO – Office of USec. Manzano. An industry level focus group discussion (FGD) was already conducted as well as Road Mapping for the transitioning of firm-based to industry-based approach.

Cost of Science and Technology assistance or intervention increased from Php1M to Php 3M (SETUP 2.0).

SETUP 4.0 – approach is still on the industry but the top management are looking into automation of the processes of the industry.

If SETUP 4.0 will be adopted, will the baseline information being gathered will be adjusted or enhanced? According to Dir. Madrigal, the existing baseline information will still be used. The existing and future SETUP applicants will be classified based on the MSME stage (Industry 1.0 to 4.0) then DOST will equally appropriate interventions required. The basic

information will stay and will be used to classify MSMEs. The roadmaps will be part of the information that will back up the intervention requirement in support for the SETUP 4.0. Conduct and results of FGDs are also used to support SETUP 4.0.

MSMEs will be classified depending on its category, from:

- micro to small
- small to medium
- medium to large

The team studied the industries, what would be the approach for the entire industry for them to be able to graduate into a higher level (target goal Industry 4.0). No industry will be left behind, there will just be different approach for intervention depending on the classification or needs of the particular industry.

The roadmap will be helpful because at the end of the day, DOST will look at the stages of the growth of the industry so that they would be able to assess the growth pattern and growth level of that particular industry.

Classification of MSMEs are based in the indicators being used also by DTI: capitalization and number of employees.

PERCEPTION

Score 1-5 (5 as the highest)

a. effectiveness

Scored 6 or 7 in terms of effectiveness of the program. Sometimes, other companies withhold information in terms of capitalization maybe because of taxation reason, some owners do not disclose this information.

PSTC observes more on visual indicators (ex. At the start they only have tricycle but eventually were able to buy bigger vehicle). If this will be used as basis for rating, we will give a score of 8 to 9.

There is a big discrepancy if we look into the asset-based from small to medium. We can also rate the effectiveness of the program if the beneficiary became compliant to certain licenses (ex. GMP compliant, etc.).

SETUP also provides training and consultancies to help MSMEs.

Good basis/indicator for the success or impact of SETUP:

- Compliance to FDA, GMP, etc.
- Market range increased
- Increased productivity
- Lessen waste
- Lessen reject

Common indicators across regions indicating effectiveness of SETUP. Dir. Madrigal shared that SETUP is not only technology intervention, each one has its own effectiveness. This requires deeper study (survey) or even analysis of data or impression. There is an ongoing study on how effective is the energy audit, MPEX, etc. You can rate effectiveness based on the data from each intervention. You cannot quantify in one intervention only.

Effectiveness thru management or delivery of assistance. DOST is looking at several perspectives at the part of the MSME Plan; how effective they have utilized the assistance,

how effective they managed the equipment, and how effective they maximize the output of the interventions.

In the management side, program effectiveness can be looked at how effective is the monitoring of the intervention, monitoring the deficiencies, how effective in providing the assistance in other interventions supports.

Mostly the parameters are being collected by the RPMO from the client as well as in house and are submitted in the database system. There is no national analysis but regional analysis only. The evaluation or analysis are the basis to further improve/guidance to new beneficiaries or ongoing beneficiary.

Missing variables or parameters that are regularly being collected that can help further the evaluation to be undertaken by the NPMO/RPMO: Dir. Madrigal mentioned about the information about what particular sector should be focused depending on the market trends and existing landscape of the industry. If he will decide to give a project fund to a certain industry, how will he back up his decision? How to balance metal industry to food industry? – Looking at the different perspectives of the benefits (export vs. local expansion/business).

b. relevance of SETUP amid COVID

Rating for relevance depend on the sector. Metals and engineering had lower operation. The food sector (4.5 to 5) increased operation and did not avail moratorium for the payment because they are still earning money. Handicrafts decreased operation. Furniture, gifts housewares (3). Agriculture (4-5), DA helped in marketing.

c. sustainability

Is there a policy that was crafted to sustain the aims of SETUP at a national level? Are there local ordinances that put SETUP institutionalized at the LGU level thru funds from LGU era?

There would be difficulty in LGU fund to support SETUP. Funding the business sector is not a direct responsibility of LGUs. They will have difficulty in providing support to private sectors contrary to governments rules and regulations. LGU's focus is more on livelihood (more beneficiaries but not only one enterprise).

Personally, Dir. Madrigal supports the SETUP program but the management of the program in terms of financial ***should not be part*** of the regular function of DOST. This should be separated from technical, DOST should concentrate with the technical intervention and assessment needs of industry/MSME. There should be conduit financing and collecting institution.

DBM still appreciates SETUP. *“Nagbabalik ng pera, at walang natatapon na pera sa SETUP”*. SETUP will still be there because it helps MSMEs a lot.

d. efficiency

Collection is a very tedious process. Management of fund and collection should be separated from the regular function of DOST. Separate technical management from financial management. There should be a third party in place.

In terms of efficiency on fund management, this will depend on the proposal applications. Big firms avail in Region IVA, while other regions have many applicants consisting of small firms. The Region is still efficient in terms of fund management.

The region practices to have buffer proposals for backup/reserve purposes.

The region has enough manpower for the program.

NATIONAL LAWS/POLICY TO BE REVISITED/DRAFTED TO ADDRESS SETUP SUSTAINABILITY

There are no initiatives done from the national level regarding this. Dir. Madrigal shared that policy formulation may take off thru SETUP 4.0. Policy in purchasing/getting important equipment, there should be incentive in equipment interventions needed by industries. Timely implementation of the project is affected by the equipment purchase.

In terms of financial resources, there should be a law/policy about enterprise development thru SETUP. There should also a law/policy supporting the manpower needs of the institution/program. If we want to continue the program, we have to beef up the Regional Offices.

There is an existing PSTC Bill that will upgrade manpower but this is still in the process.

Annex G. National Evaluation Policy Framework (NEPF) Evaluability Checklist

| | | Yes | No |
|---|---|-----|----|
| Results Framework | | | |
| 1 | Is the Results Framework and/or Theory of Change clearly defined? | | |
| 2 | Are the indicators clearly stated in the results framework? | | |
| Key Evaluation Stakeholders | | | |
| 3 | Is the planned evaluation relevant and useful to key stakeholders? | | |
| 4 | Are the stakeholders committed to support the evaluation? | | |
| Key evaluation questions | | | |
| 5 | Are the evaluation questions feasible given the: (1) project design, (2) data availability, and (3) resources available? | | |
| 6 | Are the evaluation questions of interest to key stakeholders? | | |
| Data | | | |
| 7 | Is there sufficient data collected to answer the evaluation questions? Was such data collected at baseline and consistently collected at various intervals? | | |
| 8 | Is there sufficient data disaggregation (e.g. age, sex, disability, ethnicity, migratory status, and geographic location where relevant)? | | |
| 9 | If data, particularly baseline data, is not available, are there plans and/or means available to collect and disaggregate the data? | | |
| Risk Identification and Analysis | | | |
| 10 | Will physical, political, social, economic, and organizational factors allow for an effective conduct and use of evaluation as envisaged? | | |
| Evaluation Timeline | | | |
| 11 | Is there sufficient time for the evaluation? | | |
| Indicative Resource Requirements | | | |
| 12 | Are there available service providers? | | |
| 13 | Are there sufficient human resources? | | |
| 14 | Are there sufficient financial resources? | | |

Adapted from: UNDP Evaluation Guidelines (2018 Update)

Annex H. Short Biographies of the Evaluators

Dr. Beatriz P. Del Rosario (Project Lead)

Dr. del Rosario has more than 30 years of professional experience in research development and management (planning, priority setting, monitoring and evaluation, network coordination, proposal preparation, platform building, policy dialogues) in the Philippine National Research System (NARS) in various capacities: as Officer - in Charge of the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCARRD) , Deputy Executive Director for Research , Director of Planning Division, Farming Systems Division, and Soils Division); Secretariat of PCARRD's Task Force on Vision 2020 and Consultative Group on International Agricultural Research (CGIAR) Technical Advisory Committee Chair.

She has more than 20 years' experience as an external evaluator and reviewer of institutions, programs and projects particularly of the CGIAR centers, World Bank, Department for International Development (DFID), Consortium of Rice Research in Asia (CORRA), Plant Resources of Southeast Asia (PROSEA), Promoting Local Innovations (Prolinnova) of the Global Forum on Agricultural Research (GFAR), and Young Professionals for Agricultural Research and Development (YPARD). Moreover, she has more than 15 years' experience in multi-stakeholders, multi-sectoral platform building, networking, facilitation and capacity building at the regional and international levels.

Dr. Ernesto O. Brown (Co-Project Lead cum Technical Adviser)

Dr. Brown has led the conduct of over 30 impact assessment, performance evaluation, baseline, mid-term, and endline studies, which included among others the following: Endline Study of the USDA-Winrock International Philippine Cold Chain Project, Baseline Study of the Winrock International Building Safe Agricultural Food Enterprises in the Philippines, Evaluation of Philippine American (Phil-Am) Fund Activity, Evaluation of the Impact of ACPC Agricultural Microfinance Program; Mid-Term Program Assessment of the Agriculture and Fisheries Financing Program; Evaluation of the State of Financial Inclusion among Small Farmers and Fisherfolks, Performance Evaluation of the Farmer Information Technology Service (FITS) Program; Performance Evaluation and Impact Assessment of the Swine Performance Monitoring Project; and Performance Evaluation and Impact Assessment of PCARRD GIA Program;

Dr. Brown's technical competence is also reflected in the development and implementation of sound socio-economic database management scheme for policymakers and development workers which he spearheads as Chief Science Research Specialist and Director of the Socio-Economics Research Division of PCAARRD. At PCAARRD, he was instrumental in the development of an ex-ante economic evaluation protocol for R&D projects in agriculture and natural resources that was published as PCAARRD Book Series 2007 and co-authored a PCAARRD publication titled "Impact Assessment of Research, Development and Extension Projects in Agriculture: A Simplified Approach." He was also at the helm of establishing the protocol in conducting and evaluating the desirability of R&D projects to the end users and to the society as a whole. He also developed a simplified approach in conducting a feasibility analysis of agri-related technologies which may be used in technology promotion by agricultural extension workers.

Dr. Fezoil Luz C. Decena (Evaluator 1)

Dr. Decena has broad experience in evaluation and impact assessment of research and development programs, policy research, policy analysis and advocacy, project analysis, feasibility studies, and marketing. Specifically, Dr. Decena has led the conduct of Mid-Term Assessment of the Sikat Saka Program; the Ex-ante Economic Analysis of Livestock Biotechnologies for Water Buffalo and Goat, and an In-house Research on the Assessment of the Implications of Honoraria as an incentive mechanism in implementing R&D projects. Moreover, as part of the evaluation team, Dr. Decena was involved in the conduct of Endline Study of the USDA-Winrock International Philippine Cold Chain Project, Baseline Study of the Winrock International Building Safe Agricultural Food Enterprises in the Philippines, Evaluation of Philippine American (Phil-Am) Fund Activity, ACPC Evaluation of the State of Financial Inclusion among Small Farmers and Fisherfolks, and Socio-economic Impact Assessment of Bt Corn Adoption in Isabela and Bukidnon.

Dr. Decena is also a certified internal auditor and her wealth of auditing experience equipped her to provide technical assistance and expert advice in the conduct of the evaluation and other research studies.

Ms. Anita G. Tidon (Evaluator 2)

Ms. Tidon is a trained socio-economist who brought into the team her rich experience in impact assessment of research and development projects, process documentation, preparation of feasibility studies, field surveys, data processing and packaging of reports gained from her stint as associate in a consulting firm involved in agriculture and natural resources development. She brought these experiences with her when she transferred to PCAARRD-DOST wherein she spearheaded the preparation of profitability analysis of technologies like coco sugar and 25-head dairy cow module and in assisting the technical research divisions in preparing the financial analysis aspects of, conduct of market studies on small producer groups and in coordination supply chain studies in her capacity as head of the R&D monitoring unit of the socio-economics research division. She also coordinated trainings on financial and economic analysis of R&D projects for agricultural researchers.

Ms. Tidon was also involved in several impact assessment projects such as the following: Ex-ante Economic Analysis of Livestock Biotechnologies for Ewine, Impact Assessment of the PCARRD Human Resource Development Program, Impact Assessment of the Techno Gabay Program, Economic Evaluation of All Non-University of the Philippines Los Baños (UPLB) ACIAR-Funded Projects, and Adoption/Diffusion Processes, Persistence and Socio-Economic Impacts of New Inputs and Peanut Varieties. She was also the project leader of Midterm Review of the PCARRD Medium Term Plan (2000-2004). In 2013, she spearheaded the preparation of the PCAARRD book series on impact assessment of research, development and extension projects in agriculture which serves to streamline the conduct of impact assessment studies funded by PCAARRD and DOST.

Moreover, as part of the evaluation team, Ms. Tidon was involved in the conduct of Endline Study of the USDA-Winrock International Philippine Cold Chain Project, Baseline Study of the Winrock International Building Safe Agricultural Food Enterprises in the Philippines, Evaluation of Philippine American (Phil-Am) Fund Activity, and ACPC Evaluation of the State of Financial Inclusion among Small Farmers and Fisherfolks.

Ms. Princess Alma B. Ani (Evaluator 3)

Ms. Ani has professional experience on impact assessment of research and development projects, performance evaluation, project monitoring and evaluation, and policy analysis and advocacy. She has broad experience in the conduct of participatory activities such as focus group discussions, key informant interviews and in supervising field data gathering activities.

She led the conduct of performance evaluation of the PCAARRD-DOST R&D Management Information System (RDMIS), assessment of the implications of honoraria as an incentive mechanism in implementing R&D projects and the evaluation of the status and prospects of the soybean industry in the Philippines. She also provided assistance in the conduct of Evaluation of Philippine American (Phil-Am) Fund Activity, Evaluation of the Philippine Cold Chain Project implemented by Winrock International and funded under the United States Department of Agriculture (USDA), process documentation of the People's Survival Fund project in Gerona, Tarlac; and Mid-Term Program Assessment of the Agriculture and Fisheries Financing Program.

At PCAARRD, she leads a study that aims to assess the market potential of mussel in Marinduque, involves in PCAARRD's technology foresight initiative, serves as lead person in the gender mainstreaming initiatives and development of mentoring system for R&D management.