

SMEDSEP Monitoring Manual

By

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Table of Contents

INTRODUCTION TO THE MONITORING MANUAL: HOW TO USE IT	4
PART 1: INTRODUCTION TO THE SMEDSEP MONITORING SYSTEM	6
Background of the SMEDSEP Program	7
1. Basic Considerations about the SMEDSEP Monitoring System	8
1.1 Official Documents as Points of Reference for the Monitoring System	8
1.2 Basic Decisions for the SMEDSEP Monitoring System	8
1.3 Legitimation and Learning Functions	9
1.4 SMEDSEP Monitoring System for Different Users	10
1.5 Description of Monitoring Levels According to the Impact Chain	11
1.5.1 Monitoring of Inputs and Costs	11
1.5.2 Activity monitoring	11
1.5.3 Output Monitoring	11
1.5.4 Impact Monitoring	12
1.5.5 Overview of the Monitoring Levels According to the Impact Chain	13
PART 2: IMPLEMENTING THE SMEDSEP MONITORING SYSTEM: FRAMEWORK, STEPS AND ELEMENTS	14
1.1 Overview of Steps and Elements of the SMEDSEP Monitoring System	16
1.1.1 Program / Component Structure and System Boundaries	16
1.1.2 Impact Chains	17
1.1.3 Indicators	17
1.1.4 Milestones	18
1.1.5 Plans of Operation	18
1.1.6 Data Collection	18
1.2 Management of the SMEDSEP Monitoring System: Overview	20
A. Overview on Internal Management of the Monitoring System	20
B. Communication to External Users	20
C. Organization of Monitoring Meetings	21
D. Quarterly Monitoring Meetings Agreed Upon with the SMEDSEP Team	22
2. Key Elements and Operational Steps of the Monitoring System	23
2.1 SMEDSEP Program Management	24
2.1.1 SMEDSEP Program Structure and System Boundaries	25
2.1.2 SMEDSEP Impact Chains	28
2.1.3 Indicators and Methods of Data Collection for the Overall Program Objective	31
2.1.4 SMEDSEP Program Management Milestones	34
2.1.5 SMEDSEP Program Management: OPERATIONAL PLAN	37
2.2.Component 1: Enabling Environment	41
2.2.1 Component 1 Structure and System Boundaries	42
2.2.2 Component 1 Impact Chains	43
2.2.3. Component 1 Indicators and Methods of Data Collection	46
2.2.4. Milestones Component 1 (Enabling environment)	47
2.2.5 Operational Plan (Component 1)	51
2.2.6 Operational Plan (LRED)	56

2.3. Component 2: Market Development for MSME-relevant Business Development Services (BDS)	59
2.3.1. Component 2 Structure and System Boundaries	60
2.3.2. Component 2: Impact Chains	61
2.3.3. Indicators and Methods of Data Collection	64
2.3.4. Milestones	65
2.3.5. Component 2 Operational Plans	73
2.4. Component 3: Financial Services for MSME	81
2.4.1. Component 3 Structure and System Boundaries	82
2.4.2 Component 3 Impact Chain	83
2.4.3. Indicators and Methods of Data Collection	84
2.4.4. Milestones Component 3	85
2.4.5 Component 3 Operational Plan	87
2.5. Component 4: Improvement of Vocational Upgrading	89
2.5.1. Component 4 Program Structure and System Boundaries	90
2.5.2 Impact Chain: Component 2 & 4	91
2.5.3. Component 4 Indicators and Methods of Data Collection	92
2.5.4 Comonents 2 & 4: Milestones	93
2.5.5. Component 4 Operational Plans	99

INTRODUCTION TO THE MONITORING MANUAL: HOW TO USE IT

A. Contents and structure of the monitoring manual

The following manual is organised as a toolbox:

- The **first part** consists of an introduction to the SMEDSEP monitoring system.
- In the **main part**, the different elements and steps of the SMEDSEP monitoring system are outlined:
 - **Section 1** provides both a conceptual and practical overview of the SMEDSEP monitoring system as a whole.
 - **Section 2** contains a detailed presentation of the elements and steps for both the program management and for each of the components.
- The **appendices** contain further resources and reference materials:
 - A. revised offer to BMZ
 - B. monitoring forms
 - C. basics of project M&E
 - D. annotated bibliography on project M&E

B. How to use the manual

The manual contains three kinds of information, so that different users can specifically access and retrieve the information relevant to their purposes:

- The introduction to and overviews of the SMEDSEP monitoring system are of interest to all users.
- The detailed steps and elements of the monitoring system are listed separately for the program management and for each of the components.
- The appendices can be retrieved by anyone requiring further reference materials.

Table 1 gives an overview on where to find which information:

TABLE 1: CONTENTS OF THE MONITORING MANUAL

Users Con- tents	Program Management	Component 1	Component 2	Component 3	Component 4
Introduction to the SMEDSEP Monitoring System	Part 1				
Overview of Steps of Monitoring System	Part 2, Section 1, 1.1				
Overview on Management of the SMEDSEP Monitoring System	Part 2, Section 1, 1.2				
Program / Component Structure and System Boundaries*	PART 2, Section 2, 2.1	PART 2, Section 2, 2.2	PART 2, Section 2, 2.3	PART 2, Section 2, 2.4	PART 2, Section 2, 2.5
Impact Chains*	PART 2, Section 2, 2.1	PART 2, Section 2, 2.2	PART 2, Section 2, 2.3	PART 2, Section 2, 2.4	PART 2, Section 2, 2.5
Indicators and Methods of Data Collection*	PART 2, Section 2, 2.1	PART 2, Section 2, 2.2	PART 2, Section 2, 2.3	PART 2, Section 2, 2.4	PART 2, Section 2, 2.5
Milestones *	PART 2, Section 2, 2.1	PART 2, Section 2, 2.2	PART 2, Section 2, 2.3	PART 2, Section 2, 2.4	PART 2, Section 2, 2.5
Operational Plans *	PART 2, Section 2, 2.1	PART 2, Section 2, 2.2	PART 2, Section 2, 2.3	PART 2, Section 2, 2.4	PART 2, Section 2, 2.5
Further Resources	Appendix A: revised program offer to BMZ Appendix B: monitoring report forms Appendix C: basics of project M&E Appendix D: annotated bibliography of M&E literature				

* The presently existing descriptions are only a snapshot of the present. They are to be adapted continually by the program management / the component manager. Changes and adaptations are to be fed back immediately to Carissa Aleta (coordinator of SMEDSEP Monitoring) to ensure the up-to-dateness of the manual and the effective functioning of the monitoring process.

PART 1: INTRODUCTION TO THE SMEDSEP MONITORING SYSTEM

The introductory part of this manual contains:

1. General background of the SMEDSEP program

- a brief description of the SMEDSEP program
(for the revised program offer to the BMZ see Appendix A)

2. Basic considerations about the SMEDSEP monitoring system

- Official documents as points of reference
- Key questions
- Different functions and users of the SMEDSEP monitoring system
- Description of monitoring levels according to the impact chain

BACKGROUND OF THE SMEDSEP PROGRAM

A brief description of the SMEDSEP program

(for the revised program offer to the BMZ see Appendix A)

The private sector is increasingly regarded by the Philippine government as the driving force behind economic and social development. Structural and institutional problems are currently impeding efficient and dynamic business activities at both national and regional level. Micro, small and medium-sized businesses (MSMEs), in particular, have to cope with numerous obstacles in the form of economic policy, legal provisions and bureaucracy. The most notable problem is inadequate access to markets, promotion measures, business development services (BDSs), training and upgrading, and financial and loan services to allow businesses to make full use of their entrepreneurial potential.

The overall objective is:

State-run and private institutions create general business conditions in the Philippines, particularly in the Visayas, to harness entrepreneurial potential and encourage competition.

The focus on particular groups of companies is expected to make the companies concerned more dynamic and lead to higher income and more jobs, particularly for poorer sections of the population.

The project methodology is geared towards four different levels of intervention; these are based on and interlinked with one other: (i) creation of a framework conducive to business activities; (ii) market development for MSME-relevant services, (iii) improved access to medium- and long-term loan financing and (iv) improved vocational training and upgrading. The measures are primarily carried out on a pilot basis at decentralised level in the priority region (Visayas) of German–Philippine development cooperation. Care is taken to ensure that these measures also help change the framework conditions at national level and, where appropriate, are also implemented in other regions in the Philippines.

The program's relevance in terms of development policy consists in particular in the contribution it makes towards enhancing pro-poor economic growth. The program is currently the core element of technical cooperation (TC) within the framework of the development cooperation priority area "Economic reform and development of the market system" agreed on between Germany and the Philippines. Using a comprehensive approach that takes account of various aspects of employment-oriented economic promotion and that targets various levels (national and decentralised), the programme will make a significant and exemplary contribution to the Philippine government's efforts to reform the country's economic policy.

The ongoing project "Expansion of Dual Training and Education (EDET)" will be integrated into the program. The existing cooperation between financial (FC) and technical cooperation (TC) in the field of vocational training and the special measures for Muslim-Mindanao will be continued as agreed.

Cooperation with the Centrum für Internationale Migration (CIM), the German Development Service (DED), Capacity Building International, Germany (InWent) and the Kreditanstalt für Wiederaufbau (KfW) is to be stepped up. The program also seeks to cooperate with other donors, particularly the international financing institutions (e.g. the Asian Development Bank – ADB, the International Finance Cooperation – IFC and the International Fund for Agricultural Development – IFAD).

The total German promotion is scheduled to run for eight years, with the costs anticipated to amount to around EUR 12 million. A German contribution of EUR 5,317,000 is to be made to finance the first phase under review (September 2003 to August 2006).

1. BASIC CONSIDERATIONS ABOUT THE SMEDSEP MONITORING SYSTEM

Some basic considerations about the SMEDSEP monitoring system include:

- official documents as points of reference
- key questions
- different functions and users of the SMEDSEP monitoring system
- description of monitoring levels according to the impact chain

1.1 Official Documents as Points of Reference for the Monitoring System

The following documents are used as points of reference for the design and the implementation of the SMEDSEP monitoring system:

- The country wide monitoring documents of the GTZ office Manila
- The revised offer to BMZ
- The implementation agreement between GTZ, DTI and TESDA
- Terms of Reference

The GTZ office Manila has designed a country wide monitoring system for all GTZ programs and projects in the Philippines in order to demonstrate the impacts of the overall GTZ-Portefolio. The SMEDSEP program has to contribute its part to this monitoring system. The BMZ offer has been revised during the monitoring assignment and is the cornerstone within the SMEDSEP monitoring system.

Notably the implementation agreement between GTZ, TESDA and DTI should be part of the monitoring system in order to make a follow up to the agreements between the partner organizations.

1.2 Basic Decisions for the SMEDSEP Monitoring System

The SMEDSEP monitoring system should serve the information needs, the decision making and the improvement process for the service delivery of the SMEDSEP program.

The main challenge for the program management is to design a comprehensive information system which

- satisfies the information needs of the internal and external users
- remains transparent
- is adapted to the resources and the capacities of the program and its environment.

To balance out these requirements for the monitoring system, the following key issues have been discussed, defined and need to be revised continuously:

- The amount of resources (financial, human resources, time) to be invested in the SMEDSP monitoring system: If further GTZ budget cuts will be realized, the system should be reduced. As a rough estimation, the SMEDSEP program invests between 10 and 20% of its resources in the management and monitoring system. Hence, the utility of this system has to be checked continuously.
- The integration of the existing monitoring systems and forms (DTI, TESDA, NEDA) into the SMEDSEP monitoring system: The partner organisations of DTI, TESDA and NEDA have their own monitoring systems. Although the SMEDSEP monitoring system is geared towards the GTZ needs, the needs of the partner organisations have been considered in the monitoring system (see also the program management structure, Part 2, Section 2).
- The definition of data collection methods and the use of the new GTZ-monitoring tool e-VAL within the monitoring system: A decision will be made in the coming month, whether and how e-VAL will be used for internal purposes.
- Functions and responsibilities within the SMEDSEP monitoring system have been assigned to the SMEDSEP staff. The program presents a considerable workload for the program manager taking into account the internal and external information needs towards the program.
- The organization and structure of the information for the monitoring system is transparent to the SMEDSEP staff and access to the information has been defined.

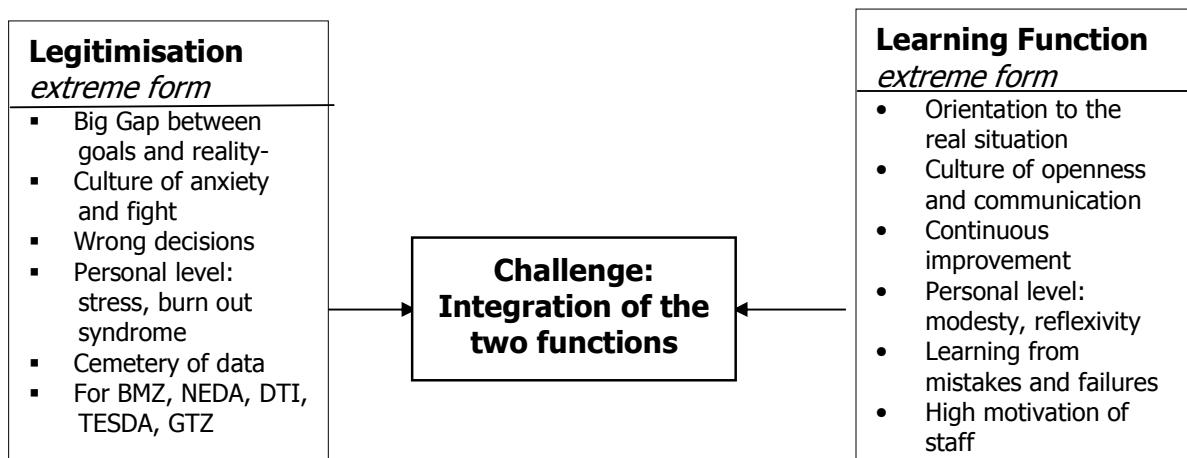
1.3 Legitimation and Learning Functions

According to the terms of reference, the conceptual framework of the SMEDSEP monitoring system should cover the two functions of monitoring:

- the legitimation and marketing function
- the analysis, learning and improvement function

Both these functions have to be covered simultaneously by the SMEDSEP program management considering the potential conflict between them as shown in Table 2. With the rising demand towards technical cooperation, the legitimation mode tends to dominate in programs and projects. This presents a potential threat for the learning function. It is the foremost task of a program manager to balance these contradictory demands and establish a monitoring system and a program culture which integrates both the above mentioned functions.

TABLE 2: INTEGRATION OF THE LEGITIMISATION AND LEARNING FUNCTIONS



1.4 SMEDSEP Monitoring System for Different Users

TABLE 3: DIFFERENT USERS OF THE SMEDSEP MONITORING SYSTEM

Levels	Legitimation Critical issues	Learning Critical issues
I. SMEDSEP monitoring for internal use		
1. Personal Level	<ul style="list-style-type: none"> Justification of respective personal position within the program competitive behavior, self positioning 	<ul style="list-style-type: none"> Concern to enhance personal performance and to support colleagues in order to achieve the program goals team spirit
2. Component Level	<ul style="list-style-type: none"> Justification of the component within the program, competition for program resources 	<ul style="list-style-type: none"> Concern for target group orientation and continuous improvement Do we offer the right products and services?
3. Program Level, DTI, TESDA	<ul style="list-style-type: none"> Justification of the program within the overall program portfolio in the Philippines What are our potentials and outstanding products? Information needs and legitimation towards DTI and TESDA 	<ul style="list-style-type: none"> Are we right with our products, hypothesis of interventions and our system focus? Do we achieve the expected impacts with our program? Can we observe a systematic improvement in our performance?
II. SMEDSEP monitoring for external use		
4. GTZ Office Manila	<ul style="list-style-type: none"> Cross cutting issues: PPP, transparency, participation, accountability and service delivery Cost impact relation of the program Marketing: Which products could be offered to other agencies? 	<ul style="list-style-type: none"> How well does SMEDSEP fit in the GTZ portfolio and what can be done to improve the fit? Where are synergetic effects between the SMEDSEP program and other GTZ programs in the Philippines?
5. BMZ, GTZ Headquarter	<ul style="list-style-type: none"> Justification of resource allocation to the SMEDSEP program Achievements of the program with relation to the BMZ offer and the indicators Relation of the program to the MDG's 	<ul style="list-style-type: none"> Knowledge Management: What can be learned from the SMEDSEP program for other countries? Necessary decisions from BMZ to improve the program performance?
6. NEDA	<ul style="list-style-type: none"> How does the SMEDSEP program fit in the overall portfolio of the national and international programs and projects? Achievements of the program with relation to the agreed upon objectives and results? 	<ul style="list-style-type: none"> Knowledge Management: What can be learned from the SMEDSEP program for similar programs and projects in the Philippines? Where are synergetic effects between the SMEDSEP program and other national and international programs in the Philippines?

1.5 Description of Monitoring Levels According to the Impact Chain

Within the framework of managing for development results, impact chains constitute a key concept. The different elements of the impact chain represent different starting points or levels of monitoring and are briefly described from the bottom up.

1.5.1 Monitoring of Inputs and Costs

At the level of input and cost monitoring, the following aspects are crucial for appraisals, analysis and decision making of the program:

- What are the overall costs for the program services and products with a differentiation between the German contribution and the partner input?
- What were the GTZ modes of delivery for the services and products? Could the services and goods be delivered in a more cost effective way (utilization of national resources)?
- Was the quality of the partner and GTZ input/resources adequate for the service delivery?

The GTZ headquarter has provided the instrument AMS for the cost monitoring of programs. So far only very few programs use this tool in a systematic way because of its limitations.¹ For the implementation of cost monitoring within the SMEDSEP program, the costs of the program for each component should be estimated as an analytical basis for cost benefit considerations of the different program components. Besides, each component and the overall program management dispose of a yearly budget plan as the base for cost monitoring.²

1.5.2 Activity monitoring

The basic function of activity monitoring is to control and improve the execution of activities and organize the distribution of work. It checks the accomplishment of activities, ensures the coordination within the workgroup and with partners, instructs the staff and gives feedback for a better performance.

The activity monitoring is an ongoing task for all of the program staff. In accordance with the basic principles of quality management, the person responsible for the implementation of the activity also has to carry out his or her own activity monitoring in a self assessment. If staff performance problems occur within the SMEDSEP program, this should be discussed in the regular monitoring meetings.

The basis for the activity monitoring are the yearly plans of operations.

1.5.3 Output Monitoring

According to the impact chain, the SMEDSEP program offers 12 main service packages for different clients / target groups.

The clear description and formulation of the output/service package (clarity, quantity, quality, etc) is the basis for the monitoring on this level. If outputs are not clearly defined impacts can be observed even less. This level of monitoring is of special importance for the program manager and the component managers in order to assess and improve the performance in their respective units. The service packages are detailed in the impact chain

¹ A proper and full cost monitoring with AMS is difficult for the time being because only part of the GTZ costs are calculated within AMS.

² In a separate contract the down payments between GTZ and GFA for the components "Financial services" and "BDS" are fixed.

and in the operational plan of the SMEDSP program (see part 2, section 2, chap. 2.1 of the manual).

1.5.4 Impact Monitoring

All changes induced by the program beyond the output level are hereafter referred to as impacts. Impacts imply all changes with regards to utilization, direct benefits, indirect benefits and other longer term impacts.³ Ideally linkages between program impacts and the MDG goals should be established.

Use of program services and products

The interrelation between the services and goods delivered to the clients and/or the target groups and their utilization within these groups is the most important level of monitoring for the internal program management. The utilization of services is a direct feedback for the program, and shows whether the products and services are accepted and incorporated by the clients and in which way they are accepted (only once, regularly, in an adapted way, etc.). The adaptation of the services and products to the needs of the clients and the target groups is the main challenge for the SMEDSEP program. The quarterly monitoring meetings should be geared especially towards this monitoring level.

Direct benefits

According to the new AURA procedure between GTZ and BMZ, the overall goal of a program should be formulated on this level and monitored closely. In case of the SMEDSEP program the formulation of the overall goal is very ambitious "*State-run and private institutions create general business conditions in the Philippines, particularly in the Visayas, to harness entrepreneurial potential and encourage competition*" and needs clear specifications and indicators for the different program phases. The monitoring of the overall goal and other benefits will be carried out in the yearly strategic monitoring meeting. If the partner organizations have no reliable data about the achievement of the overall goal, the GTZ is obliged to measure the indicators at this level.

On the **direct benefit** level the overall objective is: "State-run and private institutions create general business conditions in the Philippines, particularly in the Visayas, to harness entrepreneurial potential and encourage competition". The improvements of the framework conditions for MSME are reflected in the AIM indicators "competitiveness of cities".

Besides, the following indicators verify the achievement of the overall objective:

- Increase in the quantity and quality of services of the MSME representative bodies
- Better access of MSME's to credits
- Increased utilization of BDS
- No. of trained and upgraded workers

On the direct benefit level the intended change "LRED approach becomes an integral part for the planning and implementation process" has to be monitored carefully by the program management. The LRED approach is a new subcomponent in the program and in case of successful implementation in Leyte will be transferred to other areas.

The other intended impacts on the direct benefit level are reflected in the indicators of the program components.

³ Also the impacts of the program in relation to the MDG are considered.

Indirect positive or negative benefits

At this level the SMEDSEP program aims particularly at the creation of employment and the increase of the competitiveness of the MSMEs in the Visayas. This obliges GTZ programs to establish an information base, which shows trends towards these two main intended impacts of the program (see impact chain in Part 2, Section 2, Chap. 2.1).

Indirect benefits are not attributable to a single program (attribution gap) and the SMEDSEP program is not obliged to collect information on a regular basis; nevertheless the justification of the program is based on the improvement of employment and the MSME competitiveness. For this reason the program has to demonstrate at least in selected sectors and selected provinces, whether these changes and impacts really occurred within the context of the program.

Cross cutting issues

The poverty reduction strategies and the formulation of the MDG's have changed the paradigm of the German development cooperation. The cooperation aims at structural changes in partner countries and the achievement of the MDG's. The GTZ office Manila has taken this development into consideration and has decided to monitor on a country wide level the following good governance performance criteria:

- Transparency
- Participation
- Accountability
- Responsive service delivery
- Public Private Partnership

The SMEDSEP program has to define its contribution to these criteria within the overall GTZ portfolio in the Philippines.

1.5.5 Overview of the Monitoring Levels According to the Impact Chain

Monitoring Level	Planning base
1. Input and cost monitoring	• Budget assignments
2. Activity monitoring	• Yearly plans of operation of the program components
3. Output monitoring	• Milestones
4. Use of Service	• Impact chains
5. Direct Benefit	• Impact chains and overall objective indicators
6. Indirect Impacts	• Impact chains, especially the indicators "new job creation" and "increased competitiveness of MSME"
7. Cross cutting issues	• Definition of indicators for transparency, participation, accountability and reliable service delivery

PART 2: IMPLEMENTING THE SMEDSEP MONITORING SYSTEM: FRAMEWORK, STEPS AND ELEMENTS

The main part of this manual outlines and explains in detail the different steps and elements of the SMEDSEP monitoring system and hence provides a comprehensive overview of its structure and design.

Notably in this part of the manual, its toolbox character comes into play:

While the framework section is of interest to all users of the monitoring system, the detailed presentation of the key steps and elements is listed separately for the program management and each of the components.

(see also Table 1 in Part 1 as an orientation on where to find which information)

Section 1: Framework

- Overview of monitoring steps and elements according to the GTZ guidelines
 - program / component structure and system boundaries
 - impact chains
 - indicators
 - milestones
 - plans of operation
 - data collection
- Overview on the management of the monitoring system

Section 2: Key steps and elements of the SMEDSEP monitoring system

2.1 Program Management

- program structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plans of operation

2.2 Component 1: Enabling Environment

- component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plans of operation

2.3 Component 2: Market Development for MSME-relevant Business Development Services (BDSs)

- component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plans of operation

2.4 Component 3: Financial Services for MSME

- component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plans of operation

2.5 Component 4: Improvement of Vocational Upgrading

- component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plans of operation

1.1 Overview of Steps and Elements of the SMEDSEP Monitoring System

The following steps which will be presented in detail both for the program management and for each component in the following section of this manual are briefly described below:

- program/ component structure and system boundaries
- impact chains
- indicators
- milestones
- operational plans
- data collection

1.1.1 Program / Component Structure and System Boundaries

The new management instrument AURA has also changed the mode of delivery of the advisory service in development cooperation. The GTZ program management is responsible for the achievement of the program objectives and has to select the partner organization for the program implementation.

For the program implementation two structures have to be distinguished:

- the SMEDSEP program management structure
- the SMEDSEP advisory structure

The SMEDSEP **program management structure**, together with the main implementing agencies DTI and TESDA, aims at achieving the program objectives on a sustainable basis. The partners GTZ, TESDA and DTI jointly manage the implementation of the program on the basis of the implementation agreement signed by all 3 organizations.

The basic organizational structure consists of a steering committee and the Program Management Unit (PMU) with a lean structure on the regional and field level as shown in Part 2, Section 2 of the manual. The main management function within this structure is the strategic and operational planning and monitoring as well as a proper flow of information and communication among the partners.

Due to the shift in the definition of the GTZ role in the context of new AURA system the GTZ advisory system has to be defined. The GTZ **program advisory team** consists of the international and national GTZ experts. This structure pursues the objective of defining clear system boundaries and clarifying the role especially for the GTZ advisory team with regard to the clients and target groups. In the advisory mode DTI and TESDA are clients of the GTZ advisory system.

The basis for the advisory process are generally specific agreements with the clients, which define services, responsibilities and resources for both sides. For the different program components it is obvious, that each component has to define its own client system and the impacts that are to be achieved within this system. The basic types of advisory services are policy advice, content related advisory services and capacity development (see also the impact chains).

The GTZ staff has to accomplish the management as well as the advisory role.

For the Monitoring system the distinction between the management and advisory function of the SMEDSEP program is of great importance. For example, the quarterly monitoring meetings are realized within the SMEDSEP advisory team and directly afterwards program management meetings are realized with the participation of DTI and TESDA.

1.1.2 Impact Chains

The impact chain is one of the key concepts within the framework of managing for development results. Impact chains define intended and unintended changes that occur as a result of the intervention of program or projects in the client and target group system. Its different elements are described in Part 1, Chap. 2.5 of this manual.

The impacts, that is the effects of interventions in social and economic systems are generally not directly predictable, as their results depend not only on one but on a multitude of interventions of the advisory team. Advisors can only work with a "hypothesis of intervention", that is an assumption about the expected outcomes and intended results of their interventions.

The quality of an impact chain depends on different factors:

- The "fit" between the defined indicators in the BMZ offer and the impact chain.
- The knowledge, experience and reflexivity of the advisors about reactions in their client system to certain interventions.
- The existence or non existence of synergetic effects between the different components of the SMEDSEP program.
- The comprehensive assessment of the program context and the time horizon of the occurrence of the impacts (short, medium and long term).

1.1.3 Indicators

The indicators provide orientation for the strategic monitoring of the program and are important both for the internal and the external use:

- The main part of the indicators refers to the BMZ offer (see Appendix A) with the corresponding reporting system between BMZ and GTZ.
- Some basic indicators were defined additionally for the country wide monitoring system of the GTZ office Manila. These indicators refer to cross cutting issues: Public Private Partnership, transparency, participation, accountability and responsive service delivery.
- On the indirect benefit level the program should monitor its impact on the promotion of employment and the increase of the competitiveness of the MSME.
- For internal management purposes the program has to monitor the achievements in the implementation of the LRED approach.

The achievement of indicators will be monitored once a year in the strategic monitoring session in December (see also the overview on management of the monitoring system in Chap. 1.2 of this section).

1.1.4 Milestones

Milestones are important steps in the achievement of the planned objectives and their respective indicators. They show whether the implementation of the program is still on track or whether the agreed upon objectives could not be achieved. For example: a 10% increase of employment in the IT-Sector in Cebu in the first phase of the program is an important milestone on the way to increase employment in the Visayas in the third program phase

The goal of milestone monitoring is to reflect about the progress of work, to analyse and react to possible deviations, to improve the performance of staff and ensure the achievement of the agreed upon objectives.

Milestones monitoring is the main instrument for the operational monitoring by the program management and the component managers and will be applied quarterly within the whole SMEDSEP-program.

The milestone monitoring should focus especially on the performance of the program and the interaction with the clients (How good are our services and in which way are our services used by our clients?). This provides a clear orientation for the learning and improvement process.

1.1.5 Plans of Operation

The plans of operations are for the internal management of the components and serve for the monitoring and accomplishment of activities. They ensure the coordination within the component, with clients and facilitate agreements with other components.

1.1.6 Data Collection

The SMEDSEP program presents a mix of different data collection methods:

The main basis for data collection especially with regard to the framework condition for MSME is the **AIM survey** "Competitiveness of Cities". This is a very objective source of information and the results could not be influenced by the program.

Direct measurements are applied for the streamlining of licensing procedures and for all indicators of component 3 "Financial Services.

Rapid assessment methods will be applied for the customer satisfaction, service quality and performance rating.

Stratified random sampling will be applied mainly in components 2 and for 4 with the objective to get clear results from the clients and target groups and to limit the costs of the survey.

Besides, the SMEDSEP program should enable DTI and selected LGU's in the establishment of a **reliable data base for the overall sector information**. This is especially important to observe the MSME development in the medium and long run.

In the course of 2005 the SMEDSEP program will be obliged to use the GTZ monitoring instrument **e-VAL**.

E-VAL is an electronic evaluation procedure which the GTZ developed together with a German consultancy firm. The best-informed persons on a given program within the GTZ, the partner organisation or the target groups respectively are given an opportunity to state

what they consider to be important about the program. To this end, e-VAL merely offers a number of general "elements" typical of programs (e.g. "partner input" or "framework conditions"), which are evaluated on the basis of subjectively defined standards in the course of computer-assisted, self-conducted interviews. The e-VAL results are aggregated according to different types of programs, countries and regions and serve the GTZ headquarter for the strategic analysis of their portfolio and for legitimizing their work.

For the time being only some programs make an active use of e-VAL for internal program management purposes. E-Val requires high methodological skills, not only in applying the technique but also in order to carry out purposeful, high quality interviews. The interpretation and analysis of the information needs also requires a certain level of competence of the staff involved. For this reason at least 2 members of the SMEDSEP-team should be trained in this method, if SMEDSEP is to use e-VAL for internal management purposes.

If SMEDSEP is obliged to apply the method already in 2005, e-VAL interviews should be carried out in those components, that can already present tangible results. After the test in 2005, the program management should decide whether e-VAL should be used also for internal purposes.

1.2 Management of the SMEDSEP Monitoring System: Overview

Below, the key steps for implementing and managing the SMEDSEP monitoring system, both at the program and component level, are summarised:

- A general overview outlines the meeting and communication requirements at the different monitoring levels.
- Specific guidelines serve as the basis for structuring and documenting the monitoring sessions.
- The agreed upon dates for the quarterly monitoring meetings are listed.

A. Overview on Internal Management of the Monitoring System

(internal users - SMEDSEP-advisory team)

	Basic Elements (= what is being monitored)	Frequency and Format	Participants
Strategic Monitoring	- system boundaries - impact chains - indicators - budget	- 1-day workshop once a year	- program management - component managers - possibly SMEDSEP-advisors
Operational Monitoring	- Milestones (output monitoring, use of service)	- quarterly meetings	- program management - component managers - possibly SMEDSEP-advisors
	- operational plans (= activity monitoring)	- monthly meetings, within the responsibility of each component	- component manager - component staff
	- inputs and costs	- monthly review	- program management - component managers

B. Communication to External Users

	Format	Frequency	Users
Strategic Monitoring	progress report	yearly	BMZ
	monitoring forms DTI / TESDA *	quarterly	DTI / TESDA
	Monitoring form NEDA *	Yearly	NEDA

* for the monitoring forms see appendix D

C. Organization of Monitoring Meetings

Basic Guidelines

- Participation in monitoring sessions is compulsory for the program staff.
- All monitoring sessions follow the same the same basic agenda (see below).
- For each monitoring session “minutes of the meeting” are to be drawn and filed in the specifically designed system (both in hard copy and in digital format).
- Within the SMEDSEP program, a separate filing system exists for the whole planning and monitoring process.

Basic Agenda for Monitoring Meetings

1. Presentation of minutes from the last meeting and follow up of decisions made
2. Presentation and discussion of monitoring of the last period:
 - What (impacts / indicators / milestones / activities / ...) did we achieve?
 - What (impacts / indicators / milestones / activities / ...) were not achieved?
3. Analysis of deviations: What are the reasons for the gaps between planning and implementation?
 - internal reasons (staff performance, others)
 - external reasons (context problems)
 - decisions and corrective actions for improved implementation to be drawn
4. Analysis of interaction and cooperation:
 - How was the interaction and cooperation with our partners?
 - How was the interaction and cooperation with the other program components?
5. Revision of planning and coordination for the next monitoring period (until the next monitoring meeting), incl. schedule of responsibilities.
6. Identification of information / communication needs
 - for the coordination with other components
 - the coordination with partners
 - for the information of external users
7. Evaluation of the usefulness of the monitoring meeting.

Contents of the Minutes of Meeting

- Achievement of and deviations from indicators / milestones / activities / (quality and quantity).
- Reasons for deviations and underlying problems.
- Conclusions and decisions, including a revision of planning.
- Schedule of responsibilities for the follow up of the decisions made.

D. Quarterly Monitoring Meetings Agreed Upon with the SMEDSEP Team

Quarter	Date	Participants
I	17.03.2005	SMEDSEP Team
	18.03.2005	PMU Meeting
II	15.06.2005	SMEDSEP Team
	16.06.2005	PMU Meeting
III	15.09.2005	SMEDSEP Team
	16.09.2005	PMU Meeting
IV	01.12.2005	SMEDSEP Team
	02.12.2005	PMU Meeting

2. KEY ELEMENTS AND OPERATIONAL STEPS OF THE MONITORING SYSTEM

For both the program management and for each of the components, the following elements and operational steps of the SMEDSEP monitoring system are presented:

- program / component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plan of operation

Each of these elements needs to be updated regularly by the program and component management in order to ensure the up-to-dateness of the monitoring manual and the smooth and effective implementation of the SMEDSEP monitoring process. The presently given information only reflects the present status (mid-February 2005).

2.1. SMEDSEP Program Management

The elements and operational steps of the SMEDSEP monitoring system with relevance to the overall program management are the following:

- program structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plan of operation

Each of these elements needs to be updated regularly by the program management in order to ensure the up-to-dateness of the monitoring manual and the smooth and effective implementation of the SMEDSEP monitoring process. The presently given information only reflects the present status (mid-February 2005).

2.1.1. SMEDSEP Program Structure and System Boundaries

Figure 1: SMEDSEP MANAGEMENT and ADVISORY STRUCTURE

Management Structure		Advisory Structure	
Objective:	Guarantee together with DTI and TESDA the sustainability of the programm impacts	Objective:	Define the system boundaries for the GTZ advisory services and optimize them
Base:	Implementation Agreements between the partners DTI, TESDA and GTZ	Base:	Special Agreements of the GTZ with different public and private partners (MOA´s)
Functions:	Strategic planning, monitoring, coordination, problem solving	Functions:	Thematic, instrument and process advisory
Challenge:	Restrict the bureaucratic work to a minimum	Challenge:	Optimize the complementary advisory competences within the program

Critical issue: The distinction between the management and the advisory role in the process of program implementation

Figure 2: SMEDSEP MANAGEMENT STRUCTURE

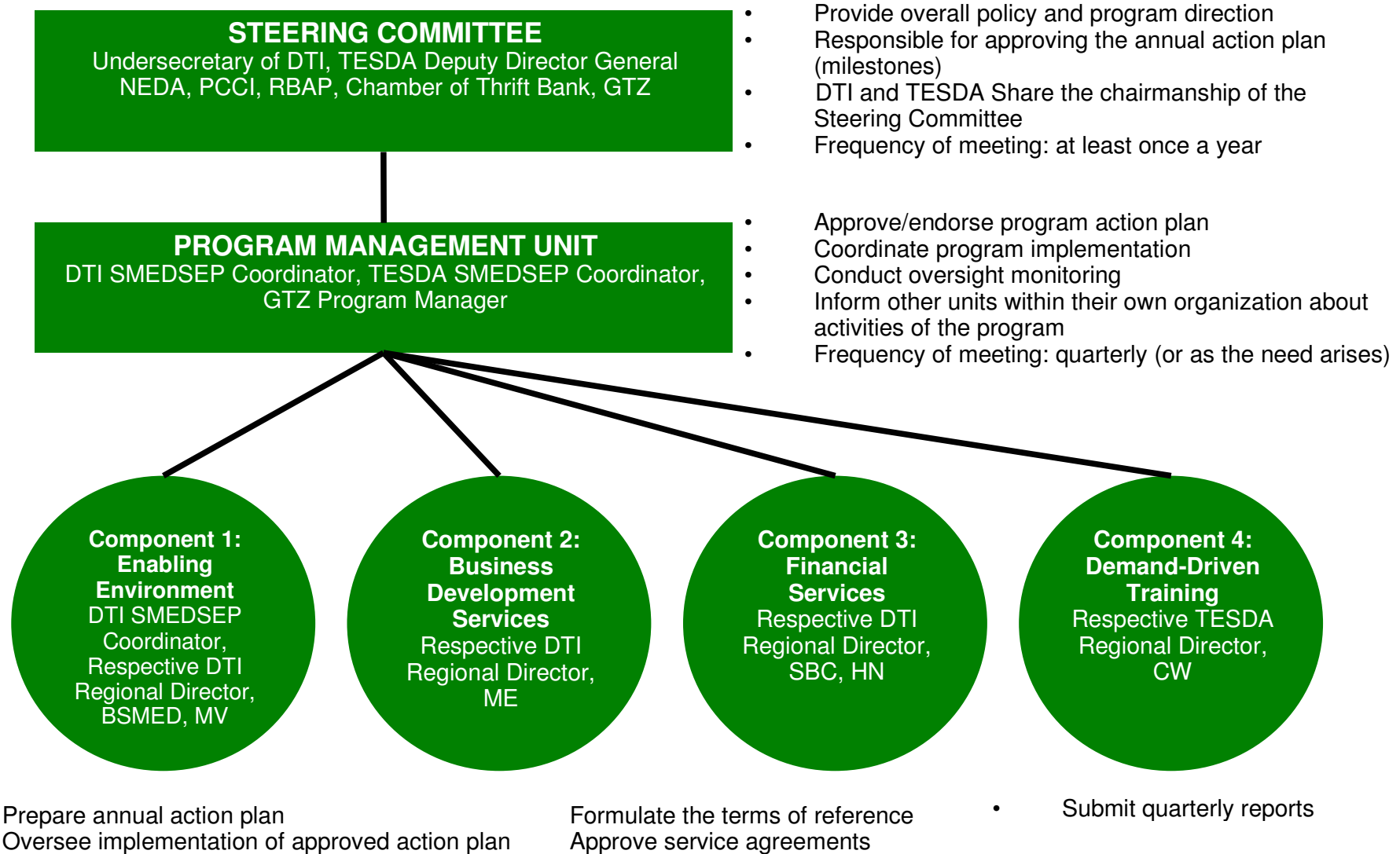
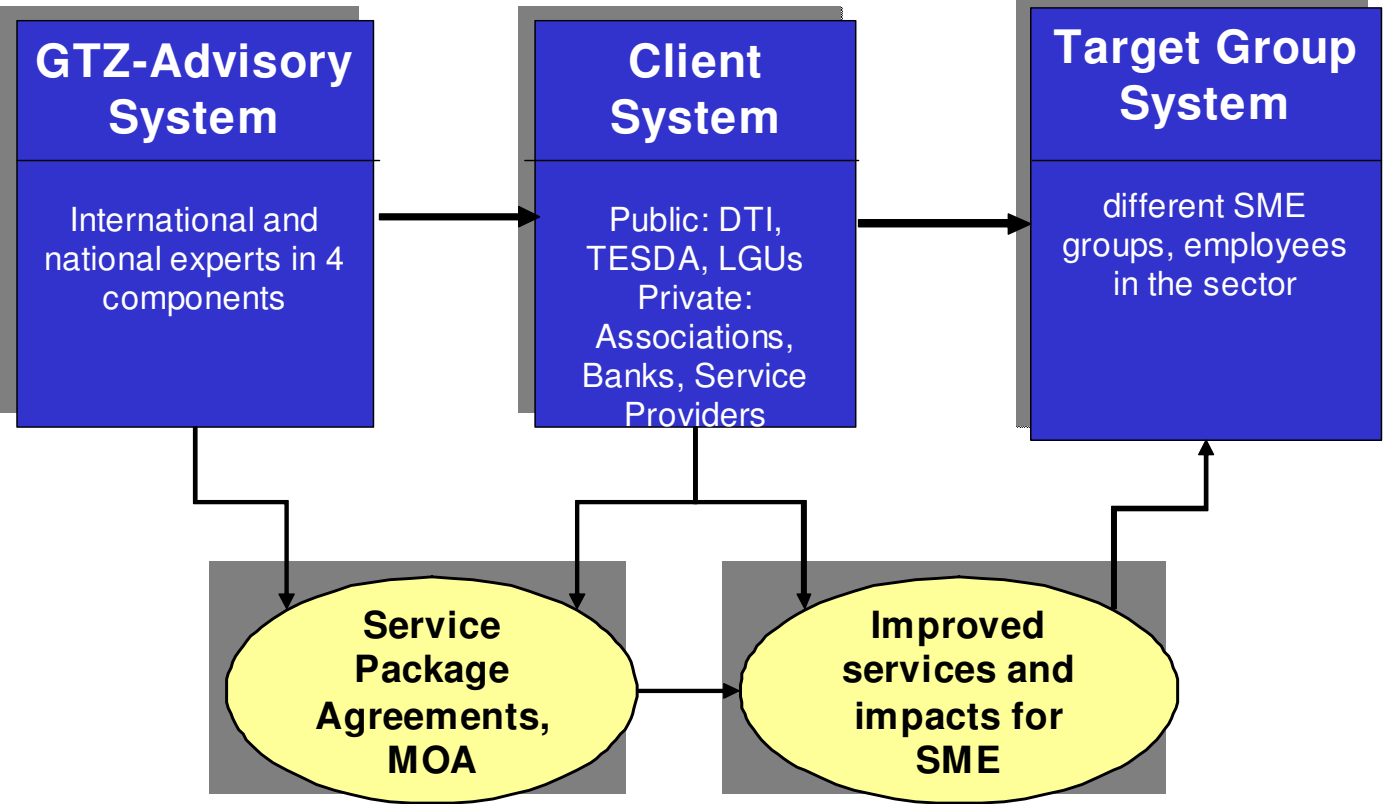


Figure 3: SMEDSEP ADVISORY STRUCTURE



2.1.2 SMEDSEP Impact Chains

The SMEDSEP program impact chains are divided in two parts:

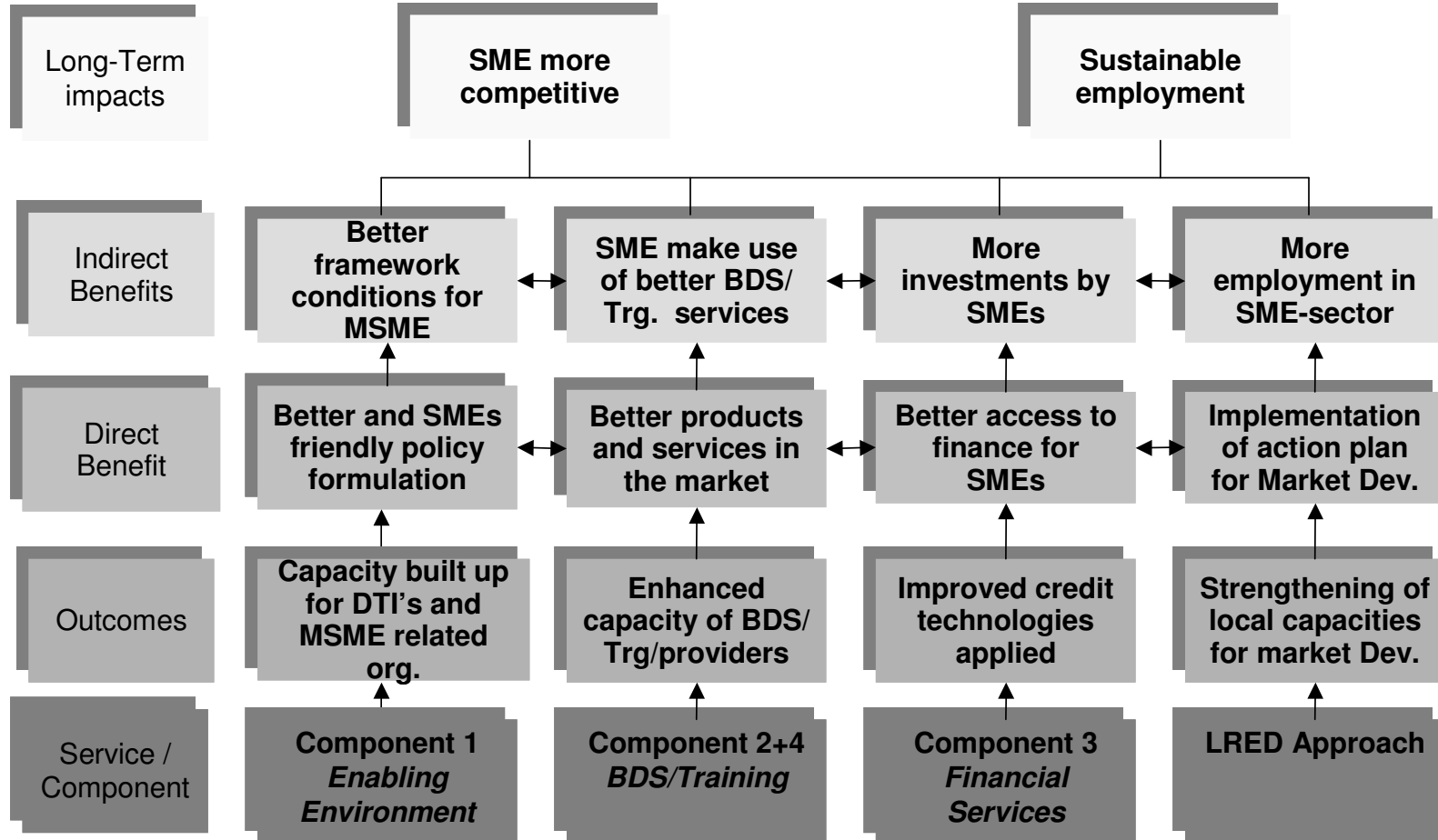
- **SMEDSEP Main Impact Chain**

This simplified impact chain focuses only on the most important impacts of the SMEDSEP program and aims at external users.

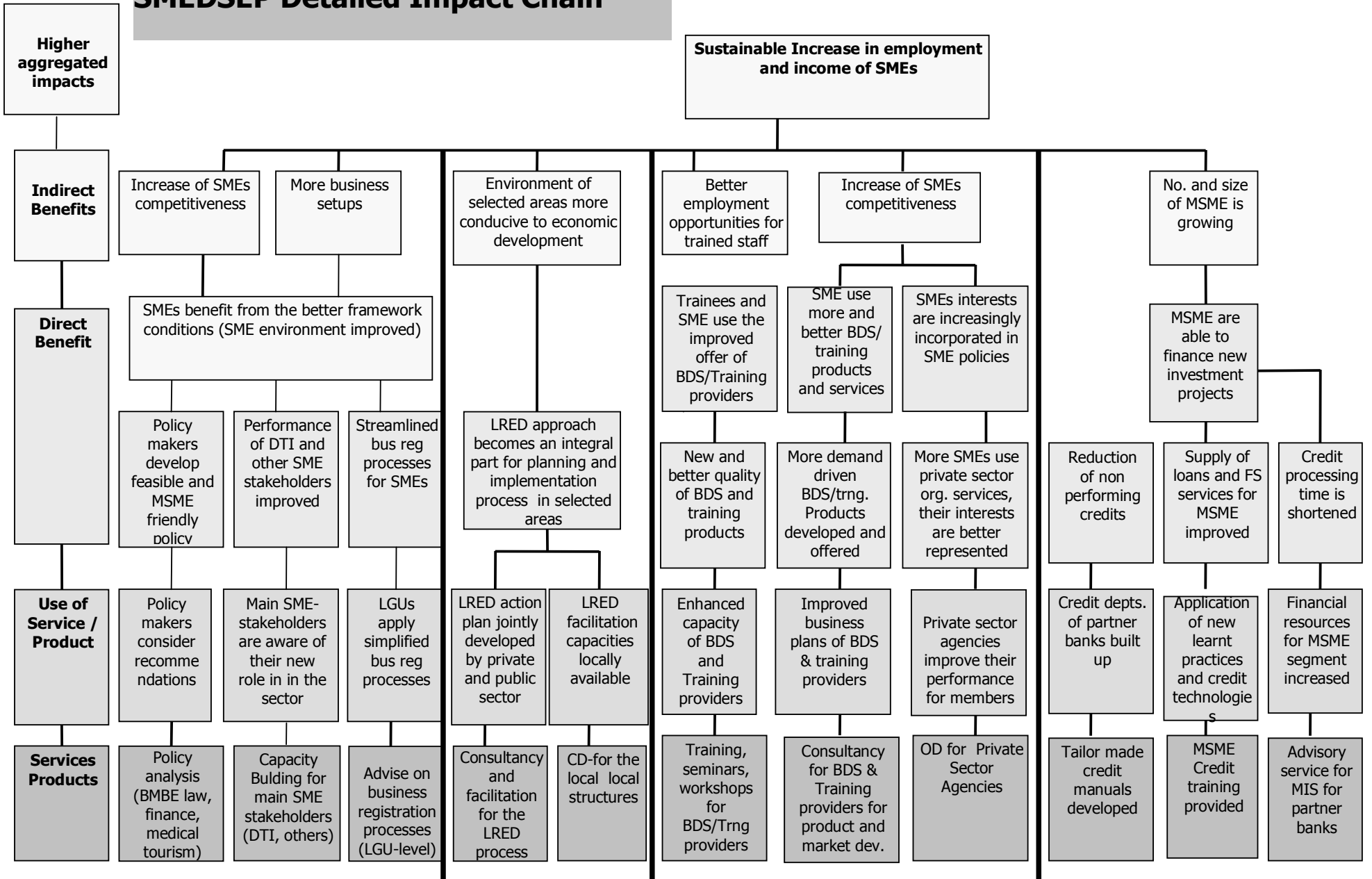
- **SMEDSEP Detailed Impact Chain**

The detailed and comprehensive version of the impact chain serves for internal use, to observe and continuously improve the intended and unintended impact.

SMEDSEP Main Impact Chain



SMEDSEP Detailed Impact Chain



2.1 Indicators and Methods of Data Collection for the Overall Program Objective

No.	Objective	Indicators	Method of Data collection	Until When
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Indicators and Methods of Data Collection: Users Other than Program and Component Management

Cross Cutting Issues (GTZ-Country Monitoring)

Expected Impacts (impact chain)	Information needs/ Indicator for the program management	Method of data collection	Until When
1. Public Private Partnership (PPP)	<ul style="list-style-type: none"> No. of PPP with private companies in the Philippines in programs and project 	<ul style="list-style-type: none"> See Indicators: 2.5 and 4.5 of BMZ offer Inquiry of PPP's in other programs and projects 	Inquiry for 6/2005
2. Transparency	<ul style="list-style-type: none"> For SMEDSEP: Increase in transparency and honesty of local governments 	<ul style="list-style-type: none"> AIM Indicator No. 51 "The city government is honest and transparent in its dealings" for the supported cities (Cebu, Bacalod, ORMOC) 	Baseline data 2003 verification in 2005
3. Participation	<ul style="list-style-type: none"> For SMEDSEP: Representatives of the MSME sector are regularly and effectively integrated into decision-making processes by relevant promotion institutions in the pilot provinces (Indicator 1 from component 1 Enabling environment) 	<ul style="list-style-type: none"> AIM survey the Indicator 53 "Policies and regulation in the city are reflective of business needs" and Indicator 54 LGU's hold regular forums to elicit opinions" increase by 5 % between 2003 and 2005 in Ormoc, Cebu und Bacolod. 	Baseline data 2003 verification in 2005
4. Accountability	<ul style="list-style-type: none"> The proposed Indicator "Local development Councils (LGC) are functioning and its membership is as described by Law (Local government code only relevant for the LRED approach in Leyte: All proposed and on-going projects implemented in the Province, municipality and barangay are posted in the media and at bulletin boards 	<ul style="list-style-type: none"> Assessment of the implementation of functions of the LDC with regard to the LRED approach in Leyte. Method Rapid Appraisal 	
5. Responsive service delivery	<ul style="list-style-type: none"> Devolved services are adequately funded through the LGU budget (this indicator is not very relevant for SMEDSP, because the funds of LGU are necessary but by far not sufficient for a responsive service delivery. For this reason the following indicator is more meaningful: 	<ul style="list-style-type: none"> Budget allocation of LGU for the LRED approach in ORMOC 	Budget check for Budget in 2005
	<ul style="list-style-type: none"> The MSMEs confirm that the regional and local authorities in Ormoc, Cebu and Bacolod increasingly fulfil their function of developing the region as a business location by acting as intermediaries and as facilitators (Indicator 1 of the overall objective). 	<ul style="list-style-type: none"> AIM survey: Rating of the "Responsiveness of local government" (Indicators 50-61) increase by 5 % between 2003 and 2005 in Ormoc, Cebu und Bacolod 	Baseline data 2003 verification in 2005

B3. Indirect Benefit Level (According to Impact Chain)

Expected Impacts (impact chain)	Information needs/ Indicator for the program management	Method of data collection	Until When
1. Employment and income generation of SME has accelerated 2. Increase of MSME's competitiveness	1. Increase in employment in supported sectors and provinces (Cebu, Negros, Leyte) 2. Increase in number and size of SME in selected sectors and provinces	1. Official statistics of DTI and LGU in the 3 provinces: SMEDSEP supports the responsible LGU's and DTI in establishing a information base for number of MSME's and staff employed in the selected the sector on a yearly base	Basic improvement of statistics in 2005 ongoing activity
3. Framework conditions for SME have improved	1. Cost of doing business 2. Dynamism of local Economy 3. Linkage and Accessibility 4. Human Resources 5. Infrastructure 6. Responsiveness of LGU 7. Quality of Life	<ul style="list-style-type: none"> • AIM Report all Indicators from 1 to 70: Increase by 5% between 2003 and 2005 in Ormoc, Cebu und Bacolod • SMEDSEP should use the whole AIM survey for the monitoring of improvement of the framework conditions 	Baseline data 2003 verification in 2005
All other indicators on the indirect benefit level of the program are included in the BMZ offer			

2.1.4 SMEDSEP Program Management Milestones

Component PMU: MILESTONES 2005 Program Management Unit

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
1.	Program Management with Partners DTI and TESDA				
1.1	Participants of steering committee nominated	Members of steering committee	03/2005		
1.2	Work plans and program structure approved	Mode of operation SMEDSEP, DTI and TESDA	03/2005		
1.3	Implementation agreement approved	Signed implementation agreement	03/2005		
1.4	Progress of SMEDSP is monitored according to BMZ, DTI, TESDA and NEDA Forms	Monitoring-Forms DTI, TESDA, NEDA	03/2005 06/2005 09/2005 12/2005		
1.5	Agreements of donor meetings	Information on donor meetings	03/2005 06/2005 09/2005 12/2005		
1.6	Internet page of SMEDSEP updated	Report responsible staff	03/2005 06/2005 09/2005 12/2005		
1.7	Budget for 2005 planned and AMS installed	Budget allocation and AMS	03/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
1.8	Products of SMEDSEP defined	Products according to GTZ needs	03/2005		
1.9	Progress report to BMZ orientated towards impacts	Reports of each component	09/2005		
1.10	PFK organized		09/2005		
1.16	PPP strategy of program clarified	Integrated PPP Strategy for program	09/2005		
2.	Strategic Monitoring according to BMZ offer				
2.1	Baseline information for the Indicators of the overall goal available	Baseline information for the Indicators 0.1-0.5	03/2005		
2.2	Baseline information for the Indicators of Component 1 available	Baseline information for the indicators 1.1 – 1.3 available	03/2005		
2.3	Baseline information for the Indicators of Component 2 available	Baseline information for the indicators 2.1 – 2.5 available	03/2005		
2.4	Baseline information for the Indicators of Component 3 available	Baseline information for the indicators 3.1 – 3.3 available	03/2005		
2.5	Baseline information for the indicators of component 4 available	Baseline information for the indicators 4.1 – 4.4 available	03/2005		
3.1	Indicators agreed with GTZ office Manila available	Indicators available for <ul style="list-style-type: none"> • PPP • Transparency • Participation • Accountability • Service Delivery 	06/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
3.4	Baseline information for MSME sector in 3 cities available	Reliable information available about <ul style="list-style-type: none"> • Employment data • No. of MSME • Informal sector 	12/2005		
3.6	Method for the evaluation of The LRED approach available	Participatory approach for the rating of LRED designed	09/2005 12/2005		
3.7	Baseline results for the LRED assessment available	Assessment of LRED approach by different stakeholder	12/2005		
4.	Monitoring Meetings and E-Val Training				
4.1	Strategic and operational Monitoring meetings held according to plan	Evaluation of the quarterly Monitoring Meetings held	03/2005 06/2005 09/2005 12/2005		
4.2	Filing System for the Monitoring system available	Transparency and access to the Monitoring System	12/2005		
4.3	e-VAL Training for core staff conducted	Competence of trained staff in e-VAL	6/2005 12/2005		
4.4	e-VAL results from stakeholders available	Results of e-VAL interviews Perspectives of stakeholders	12/2005		

2.1.5 SMEDSEP Program Management: OPERATIONAL PLAN

(PM Programm Manager, RM- Responsible for Monitoring, CPM- Component Manager, PMU-Program Management Unit, SC-Steering committee)

NO.	ACTIVITIES	EXPECTED OUTPUTS	RESPON-SABLE	COLABO-RATION	2005												REMARKS
					1	2	3	4	5	6	7	8	9	10	11	12	
Overall program Management of SMEDSEP with DTI and TESDA (PMU)																	
1.	Program Management with DTI and TESDA (PMU, Steering committee)	SMEDSEP program Mgmt. with DTI and TESDA works smoothly	PMU, STC	CPM													
1.1	First Steering committee meeting	Members of SC	PMU	RM, CPM													
1.2	Work plans and program structure approved by the SC	Work plans approved	PMU, STC	RM, CPM													
1.3	Approval of the Implementation agreement between DTI, TESDA and GTZ	Implementation agreements approved	PM	PMU												Joint implementation agreement between all 3 partners	
1.4	Progress of SMEDSEP is monitored according to BMZ, DTI, TESDA and NEDA forms																
1.5	Coordination with other donors in the sector	Coordination and cooperation with other donors in specific fields agreed														Regular donor meetings	
1.6	Launching and revision of the Internet page of SMEDSEP	Updated Internet page	BADC	RM													
1.7	Budget planned and cost monitoring (AMS developed)	Cost Moitoring in place	CPM 4	PM, Belle												Introduced by GTZ office Manila	
1.8.	Product package defined according to GTZ office Manila needs	Products for country wide GTZ monitoring defined	PM, CPM													Needs of GTZ office Manila	
1.9	Prepare progress report for BMZ		PM, CPM														

					2005															
1.10	Organize PFK and participate in the evaluation	Operational plan 2006; 2 nd phase concept agreed with main stakeholders	PM																	International expert needed
1.11	Knowledge Management/Shared Files implemented in Manila and Cebu		Carisa, Arvin																	Continuous improvement
1.12	Promotional package developed	Promo package including revised flyer, logo	PM, Arvin, Carisa																	Local short-term expert needed; Printing costs
1.13.	Staff talks held	Functions and descriptions of staff	PM, Christian																	Feedback Forum facilitator
1.14	Annual report distributed	Annual report	PM, CPM																	
1.15	Cooperation with other German development agencies	Focal Area profile paper revised	PM																	International short-term expert needed
1.16	Check and document PPP potential of program	Integrated PPP Strategy for SMEDSEP	Astrid																	

NO.	ACTIVITIES	EXPECTED OUTPUTS	RESPON-SABLE	COLABO-RATION	2005												REMARKS			
					1	2	3	4	5	6	7	8	9	10	11	12				
Internal Management (SMEDSEP Advisory Team)																				
2.	Strategic Monitoring on the basis of BMZ offer overall objective																			
2.1	Collection of the Indicators for the overall objective	Indicators and Baselines for 2003/2004 are available																		
2.1.1	Reconfirm with the AIM the collection of Information of Responsiveness LGU's	Indicator 0.1 "Responsiveness of LGU's" available	AIM, PM																	Negotiation of a new contract with AIM
2.1.2.	Questionnaire- Guide for representative bodies for MSME designed	Guidelines for interview available	RM	With local consultants or other																Decision necessary whether the survey should be done by

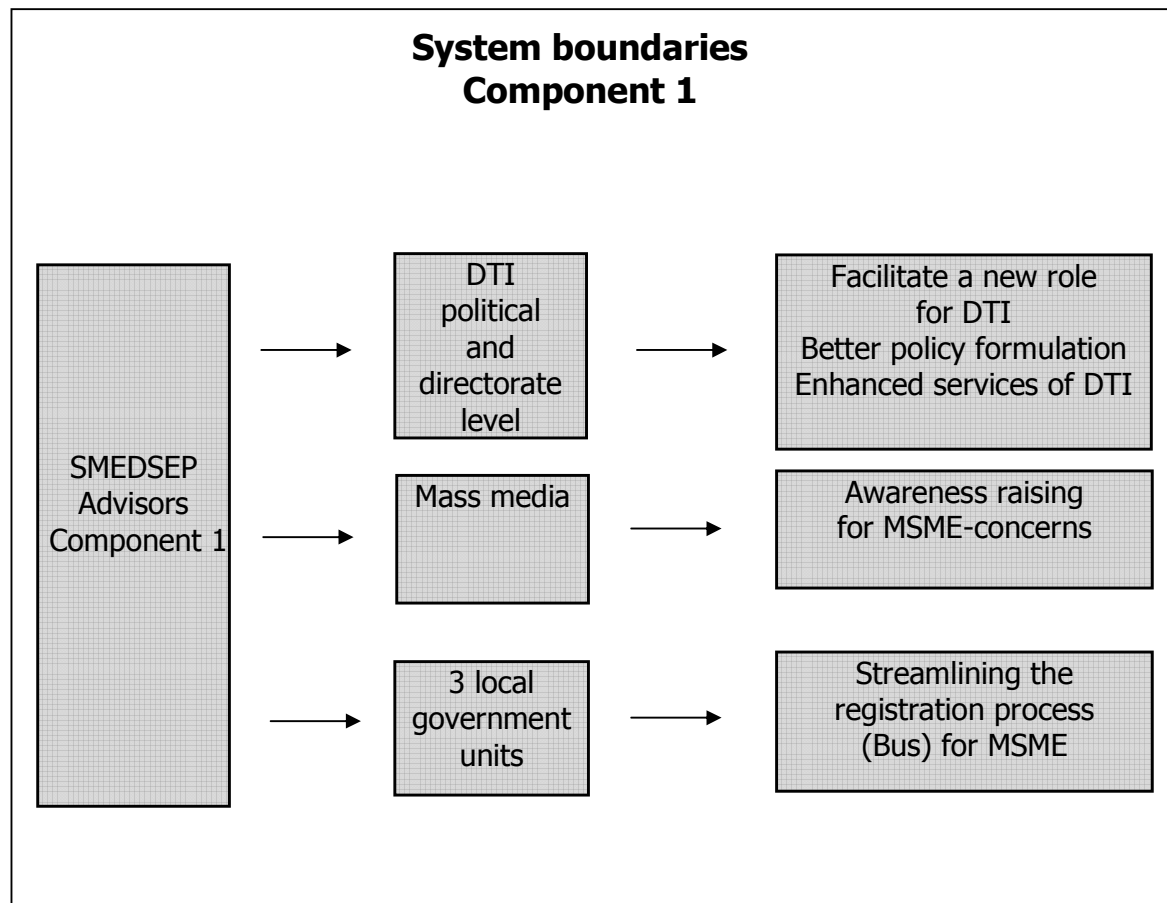
2.2.COMPONENT 1: ENABLING ENVIRONMENT

The elements and operational steps of the SMEDSEP monitoring system with relevance to component 1 of the SMEDSEP program are the following:

- component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plan of operation

Each of these elements needs to be updated regularly by the component management in order to ensure the up-to-dateness of the monitoring manual and the smooth and effective implementation of the SMEDSEP monitoring process. The presently given information only reflects the present status (mid-February 2005).

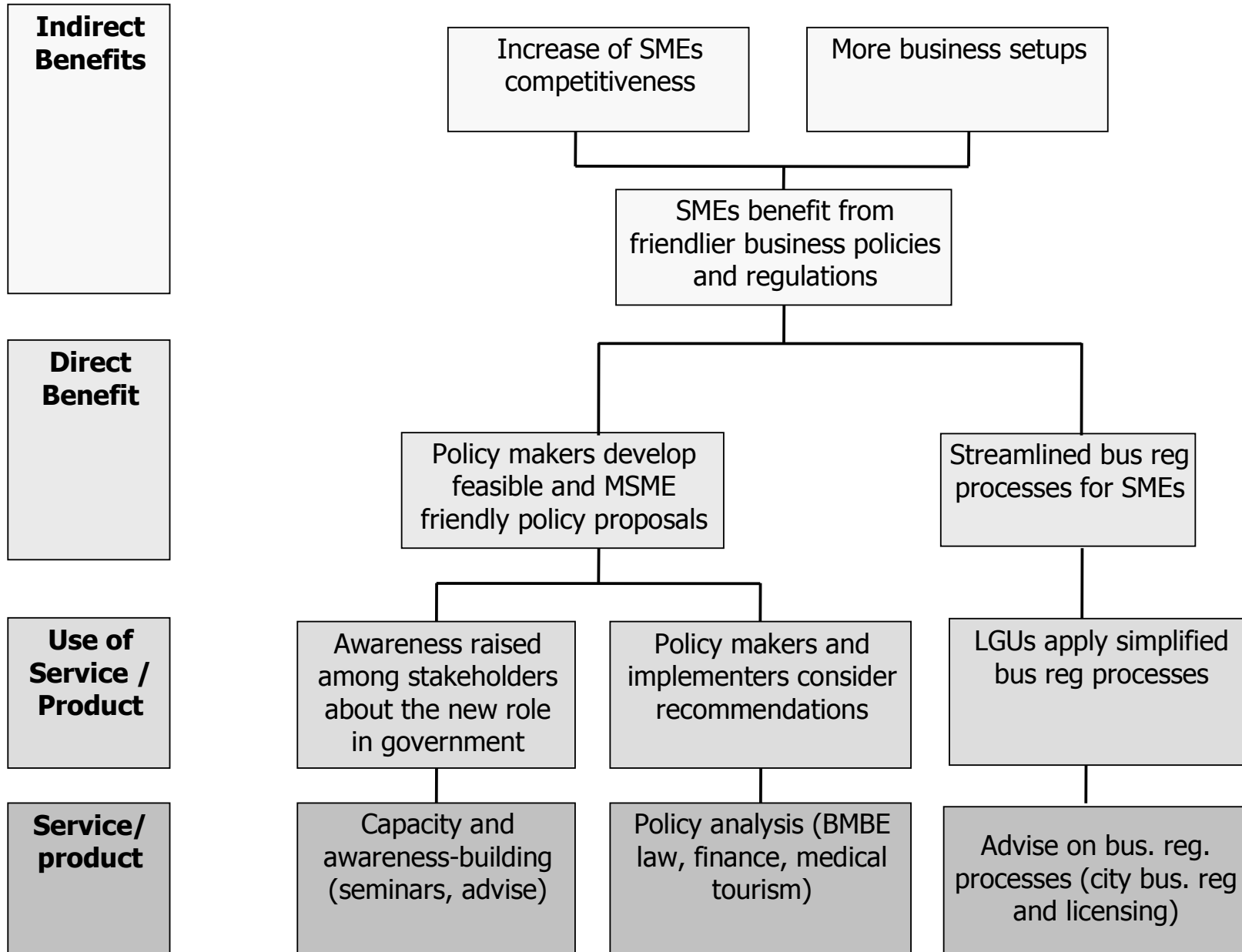
2.2.1 Component 1 Structure and System Boundaries



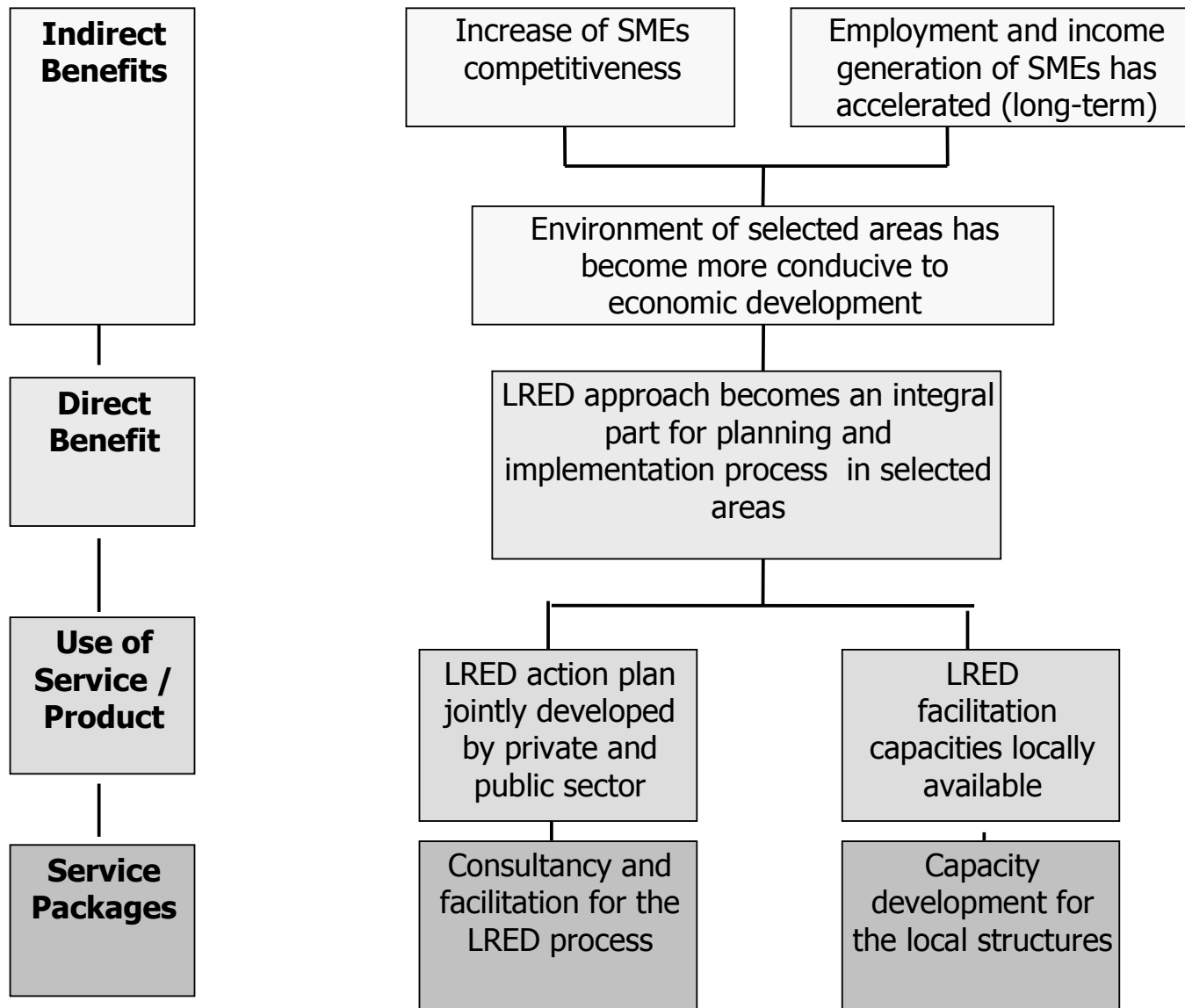
2.2.2 Component 1 Impact Chains

- Component 1: Enabling Environment Impact Chain
- Components 1 & 2: LRED Impact Chain

Component 1: Enabling Environment Impact Chain



Components 1 & 2: LRED Impact Chain



2.2.3. Component 1 Indicators and Methods of Data Collection

BMZ Offer: Component 1 Indicators and Methods of Data Collection

No.	Objective	Indicators	Method of Data Collection	Until When
1.	Component objective : <i>Creation of an economic, administrative and regulatory framework conducive to business activities</i>	1.1. Representatives of the MSME sector are regularly and effectively integrated into decision-making processes by relevant promotion institutions in the pilot provinces (e.g. frequency of consultations, results achieved).	<ul style="list-style-type: none"> AIM-Survey Proxies: Indicators 53 and 54 "Policies and regulations are reflective to Business needs" and "LGU's holds regular forums" for 2003 and 2005 	Baseline 2003 2. survey 2005
		1.2. Approval and licensing procedures have been shortened in Ormoc and Bacolod at least 30 % with regard to the previous year and MSMEs confirm that the procedures are simplified and are better publicised.	1.2.1. Random Sampling Inquiry of MSME 1.2.2. AIM Survey Proxy: Indicator #50 "Securing a business permit is simple and efficient" has increased by 10% in 2005 compared to 2003 in Ormoc and Bacolod.	Baseline 2/2005 2. survey 2/2006 Baseline survey 2003 2. survey 2005
		1.3. Seventy per cent of the entrepreneurs say that the framework conditions have improved since the beginning of the phase.	1.3. AIM Survey Proxy: Indicator 8 "In general the city's regulatory environment (such as licensing procedures, fees, taxes and other regulatory requirements) is conducive to business" has increased by 10 % in 2005 compared to 2003.	Baseline survey 2/2003 2. survey 2005

2.2.4. Milestones Component 1 (Enabling environment)

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
1.	Business registration and licensing process				
1.5	Service Agreement for process improvements signed	Name of LGUs Conditions of contract	03/2005		
1.6	Process improvements for business registration	Progress in improvements	03/2005 06/2005		
1.8	Process improvements evaluated	Types of improvement, Time of registration and licensing	03/2006		
2.	Media strategy				
2.1	Media strategy developed	Channels of distributions Colaborators	03/2005		
2.2	Stepwise Implementation of strategy monitored	Selected Media actions according to opportunities	06/2005 09/2005 12/2005		
3.	Capacity building for Enabling environment				
3.1	Strategy for capacity building elaborated	How to strengthen DTI and other stakeholders in the MSME-sector	03/2005		
3.2	Consultancy for capacity building prepared and realized	Impacts of consultancy on SMED council, congressmen and other stakeholder Awareness of DTI for role changing	06/2005 09/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
3.3	Seminar on enabling environment organized and implemented	Contents and participants of the seminar Seminar evaluation Participation of DTI	09/2005		
4.	BMBE Law				
4.1	BMBE regulation reviewed	Regulations and state of implementation	06/2005		
4.2	BMBE law for SMSE assessed	Impacts of the law on SMSE	06/2005		
5.	Medical Tourism market assessed				
5.1	Medical Tourism market study available	Assessment of the potentials of a medical tourism market	06/2005		

Components 1 & 2: MILESTONES 2005

LRED Leyte

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
A.	Consultancy and facilitation for the LRED process				
A.1	Action plan for Ormoc finalized	Activities which need direct SMEDSEP support	03/05		
A.2	Action plan implementation	State of action plan implementation Participation of stakeholders	03/2005 06/2005 09/2005 12/2005		
B.	LED-process initiated and implemented in other municipalities				
B.2	Rapid economic appraisal carried out in 3 municipalities	Documentation and recommendations	03/2005		
B.4	Action plan in 3 municipalities finalized	Activities which need direct SMEDSEP support	03/2005 06/2005		
B.5	Action plan implementation in identified municipalities	State of action plan implementation Participation of stakeholders	06/2005 09/2005 12/2005		
C.	Capacity development for the local structures				
3.2	Training program and material for LED training developed	No. and contents of training modules	06/2005 09/2005		
3.5	Training on LED for major stakeholders conducted and evaluated	No. of staff trained Quality of training (assessments of participants and self assessments of trainer)	09/2005		
D.	Business licensing process analysis in Ormoc				
D.3	Service Agreement for process improvements signed	Name of LGUs Conditions of contract	03/2005		

D.4	Process improvements for business registration	Progress in improvements	06/2005 09/2005	
D.6	Process improvements evaluated	Types of improvement, Time of registration and licensing	03/2006	
E.	Documentation of the LRED approach in Leyte			
E.2	Results and achievements documented		03/2006	

2.2.5 Operational Plan (Component 1)

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks	
				01	02	03	04	05	06	07	08	09	10	11	12		
A.	Analysis of actual business licensing procedures in Bacolod and Ormoc	Implementation of business registration and licensing process															
1.	Prepare TOR and engage consultant [December 2004]			←													
1.1	Prepare process documentation instruments (questionnaire, incorporate quality management concepts)																
2.	Business licensing process analysis in Bacolod																
2.1	Conduct survey and process documentation in Bacolod, including report writing																
2.2	Conduct workshop with stakeholders (steps) to draw up an action plan for improvement																
2.3	Sign service agreement with the LGU																
2.4	Implement process improvement, as identified during the workshop																
2.5	Review process improvement																
2.6	Evaluate process improvement [January 2006]																→

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks	
				01	02	03	04	05	06	07	08	09	10	11	12		
3.	Business licensing process analysis in Ormoc			█													
3.1	Conduct survey and process documentation in Ormoc, including report writing			█	█												
3.2	Conduct workshop with stakeholders (steps) to draw up an action plan for improvement					█											
3.3	Sign service agreement with the LGU					█											
3.4	Implement process improvement, as identified during the workshop				█	█	█	█	█	█	█	█					
3.5	Review process improvement												█				
3.6	Evaluate process improvement [January 2006]												█			→	
B.	Best practice documentation																
1.	Prepare TOR				█												
2.	Discuss/Agree with LCP on the selection of LGUs					█											
3.	Contract consultant					█											

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks	
				01	02	03	04	05	06	07	08	09	10	11	12		
4.	Write up best practice on business licensing																
5.	Organize an event and information briefings on the results (city workshop)																
C.	Create demand for SME reform																
1.	Media strategy to create demand for reform	Media strategy developed to stimulate demand for reform															
1.1	Research the media market																
1.2.	Establish media contacts																
1.3.	Involve academia																
1.4.	First overall meeting with media and stakeholders																
1.5.	Draft TOR for media strategy																
1.6.	First Media action																
2.	Capacity building on Enabling Environment	Capacity building on creating Enabling Environment initiated															

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks	
				01	02	03	04	05	06	07	08	09	10	11	12		
2.1	Agree draft training concept with J. Prey																
2.2	Draft seminar concept																
2.3	Draft TOR for main consultant																
2.4	Contract consultant																
2.5	Refine the concept (input on Philippine case study with Simon White?)																
2.6	Advise SMED Council by Simon White																
2.7	Advise Congressmen by Simon White																
2.8	One-week seminar on Enabling Environment																
2.9	Advise SMED Council																
2.10	Half-day seminar within National SME week - Planning with DTI - Draft concept																
D.	BMBE Law Regulatory Impact Assessment	BMBE Law impact assessed (Regulatory Impact Assessment)															

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks	
				01	02	03	04	05	06	07	08	09	10	11	12		
1.	Clarify TOR with DTI																
2.	Select consultant																
3.	Actual regulatory review																
4.	Workshop forum																
E.	Review of legal and regulatory environment in the financial services	Legal and regulatory environment in the financial services reviewed															GFA budget
1.	Prepare TOR (See component 3)																
2.	Select consultant																
3.	Actual study																
F.	Marketing study finalized	Medical Tourism market assessed/reviewed															
G.	AIM City Competitiveness Survey 2005																

2.2.6 Operational Plan (LRED)

Leyte (Region 8)

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	Responsible Collaborators	2005												RESOURCES/ REMARKS	
				1	2	3	4	5	6	7	8	9	10	11	12		
A.	Consultancy and facilitation for the LRED process	LED-process with participation of major stakeholders initiated and implemented in pilot city/municipality	DTI														
1.	Finalize LRED action-plan Ormoc and identify those activities with direct SMEDSEP - support																1 local consultant
2.	Implement activities with direct SMEDSEP - support																1 local staff
3.	Monitor LRED - activities in Ormoc continuously																1 local staff
B.	Consultancy and facilitation for the LRED process	LED-process with participation of major stakeholders initiated and implemented in other municipalities of Leyte - Province	DTI														
1.	Make a pre-selection of up to 3 additional municipalities for rapid economic appraisal																
2.	Carry out rapid economic appraisal in up to 3 additional municipalities																1 International Consultant
3.	Make final decision on municipalities to be included in the LED - strategy Leyte, document findings of																

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	Responsible Collaborators	2005												RESOURCES/ REMARKS	
				1	2	3	4	5	6	7	8	9	10	11	12		
	appraisal mission and forward to stakeholders																
4.	Finalize action - plans with stakeholders and identify those activities with direct SMEDSEP - support																
5.	Implement activities with direct SMEDSEP - support																
C.	Capacity development for the local structures	Staff of local and provincial administrations, BDS-providers and business service organizations trained and coached in LED - approach	DTI														
1.	List institutions which might be interested in getting their staff trained																
2.	Develop training program and training material																1 International Consultant
3.	Invite institutions to attend the training																
4.	Organize training (venue, contracting trainer etc.)																
5.	Conduct training and evaluation of the event																1 International Consultant
6.	Prepare documentation of training and forward to participants																
D.	Business licensing process analysis in Ormoc	Improved business registration and licensing process implemented	DTI														

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	Responsible Collaborators	2005												RESOURCES/ REMARKS	
				1	2	3	4	5	6	7	8	9	10	11	12		
1.	Conduct survey and process documentation in Ormoc, including report writing			■	■												
2.	Conduct workshop with stakeholders (steps) to draw up an action plan for improvement					■											
3.	Sign service agreement with the LGU				■												
4.	Implement process improvement, as identified during the workshop				■	■	■	■	■	■	■	■					
5.	Review process improvement											■					
6.	Evaluate process improvement [January 2006]											■	■	■			
E.	Documentation of the LRED-approach in Leyte	Experiences with LRED - approach in Leyte documented and disseminated throughout Visayas	DTI														
1.	<i>Obtain information from AIM as to the scope and date of the next the "Competitiveness of Cities" survey</i>			■													
2.	Document concept, appraisal results, monitoring results and achievements.			■	■	■	■	■	■	■	■	■	■	■	■		

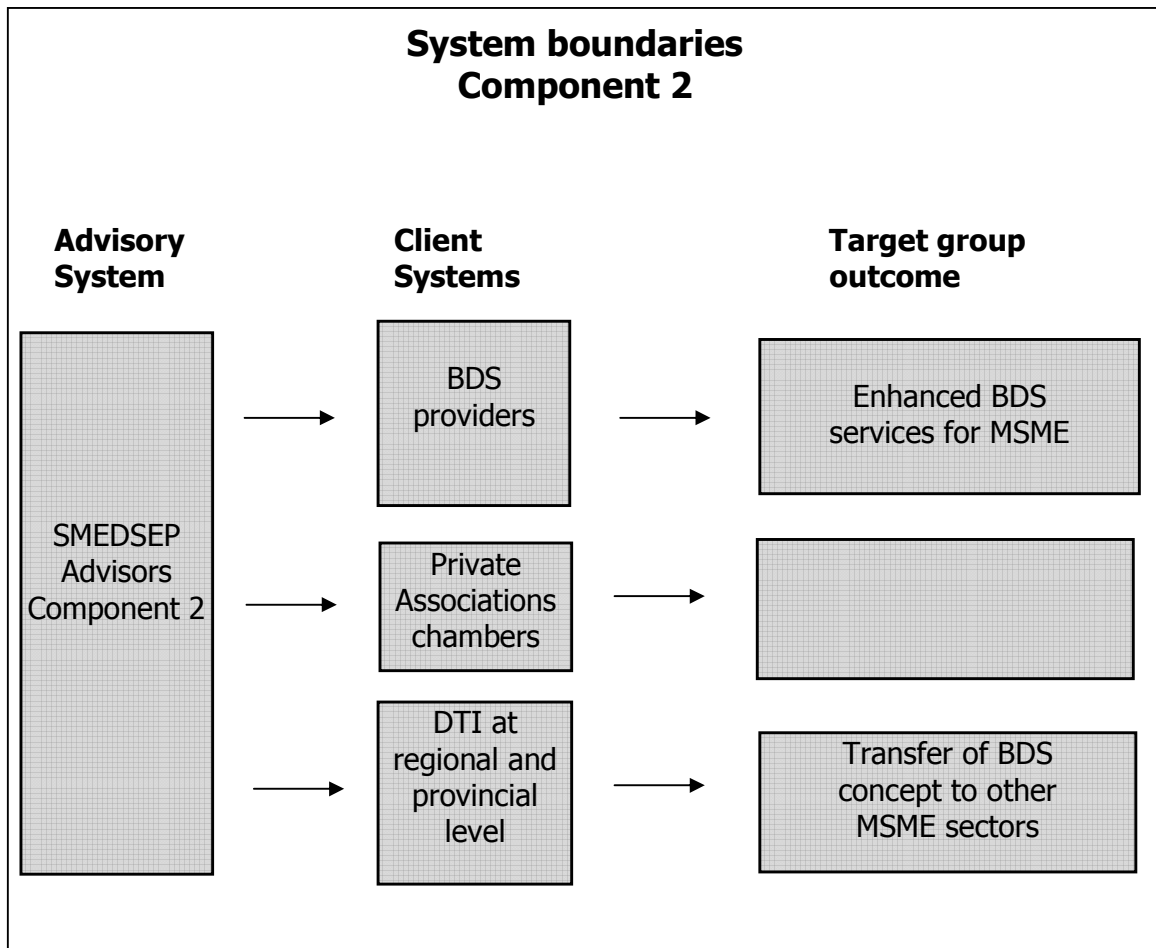
2.3. COMPONENT 2: MARKET DEVELOPMENT FOR MSME-RELEVANT BUSINESS DEVELOPMENT SERVICES (BDS)

The elements and operational steps of the SMEDSEP monitoring system with relevance to component 2 of the SMEDSEP program are the following:

- component structure and system boundaries
- impact chains
- indicators and methods of data collection
- milestones
- plan of operation

Each of these elements needs to be updated regularly by the component management in order to ensure the up-to-dateness of the monitoring manual and the smooth and effective implementation of the SMEDSEP monitoring process. The presently given information only reflects the present status (mid-February 2005).

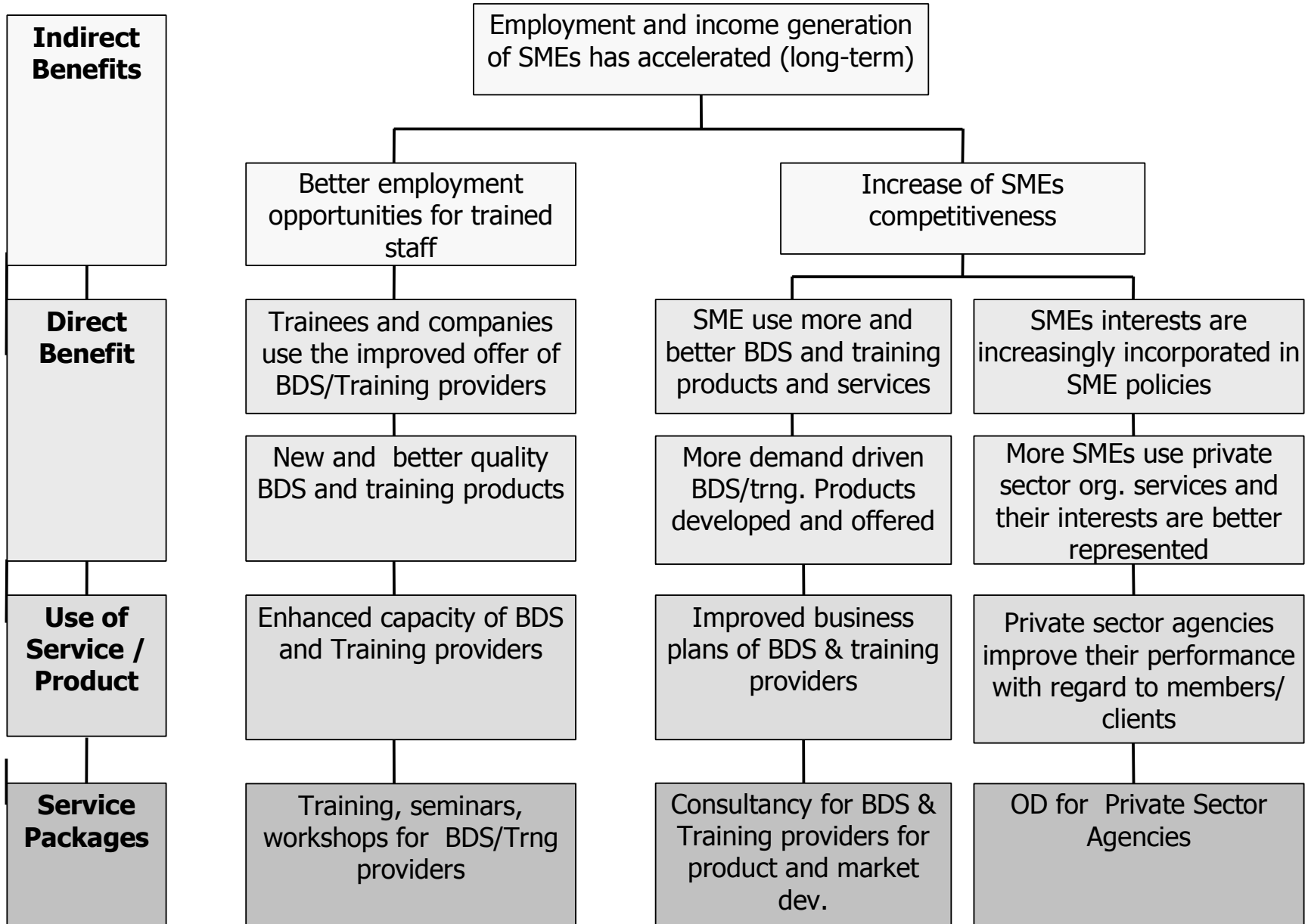
2.3.1. Component 2 Structure and System Boundaries



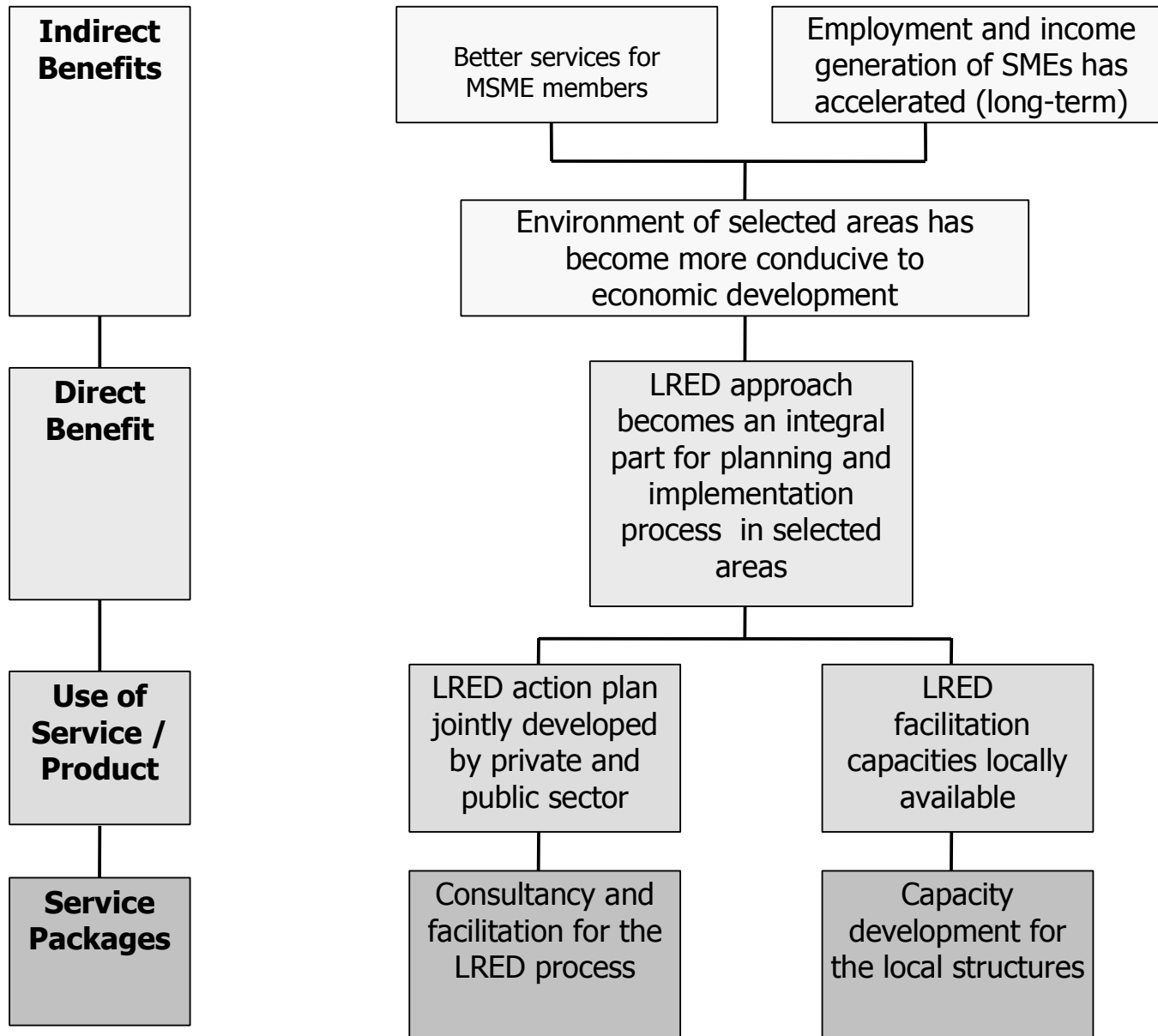
2.3.2. Component 2: Impact Chains

- Components 2 & 4: BDS and Trainingprovider Impact Chain
- Components 1 & 2: LRED Impact Chain

Components 2 & 4: BDS and Trainingprovider Impact Chain



Components 1 & 2: LRED Impact Chain



2.3.3. Indicators and Methods of Data Collection

BMZ Offer: Component 2 BDS: Indicators and Methods of Data Collection

No.	Objective	Indicators	Method of data collection	Until When
2.	<i>BDS providers in selected areas of the Visayas adequately meet the growing demand from MSMEs.</i>	04. Increased usage (ca. 5%) of MSMEs in the regions of BDSs and of trained and upgraded workers in Cebu (IT-sector) and Negros Occidentale (tourism sector) (compared with the values for 1/2005).	<ul style="list-style-type: none"> • urvey (Stratified random sampling of SME) beginning and end 2005. • Sampling interviews of at least 30 MSME's 	Baseline results for 2004: until 4/2005 2. survey results for 3/2006
		2.1. The number of companies that pay for BDSs in Cebu and Negros Occidentale in the pilot sectors increases by around 5% per year.	2.1. Survey with MSMEs from the respective sectors; and service providers	Baseline data for 2004 resulta available in 4/2005 2. survey for 2005 results available 4/2006
		2.2. The number of regional and local providers of market-based BDSs increases in Cebu and Negros Occidentale in the pilot sectors by around 5% per year.	2.2. See 2.1.	Baseline data for 2004 resulta available in 4/2005 2. survey for 2005 results available 4/2006
		2.3. Income from services for MSMEs as a share of the service providers' total income increases by around 5% per year.	2.3. Analysis of Income sources of supported service providers 2.4. See also survey in 2.1.	Baseline data for 2004 resulta available in 4/2005 2. survey for 2005 results available 4/2006
		2.4. Seventy per cent of the MSMEs say that the price/quality ratio and the quality of the BDSs they use are good.	2.5. See 2.1 Survey including rating of clients about the price / quality ratio	Baseline data for 2004 resulta available in 4/2005 2. survey for 2005 results available 4/2006
		2.5. At least 4 private partners provide inputs to develop BDS within public-private partnerships (PPPs).	2.5. Agreements with private partners	Ongoing activity

2.3.4. Milestones

Components 2 & 4: MILESTONES 2005

Tourism Sector					
Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
A.	Technical Assistance to the Tourism Core Group				
A.1	Tourism development plan prepared	Self-assessment of quality of the plan and participation of stakeholders (value-added of the program)	06/2005		
A.2	Tourism development plan for Negros Occ. implemented and monitored (06-12/2005)	Which services were given? How were they received? What were the (possible) effects of the services provided?	06/2005 09/2005 12/2005		Compare tourism plan before and after
B.	Organizational Development for Associations/Organizations				
B.1	2 organizations identified and assisted in pre-OD phase	Type of organization and members Problems to solve in the organization/association	03/2005		
B.4	Assessment of OD results (04-12/2005) – progress report compiled & assessed	Self-assessment of effectiveness of interventions	06/2005 09/2005 12/2005		Progress report (06/2005)
C.	Product and Market Development Assistance				
C.2	List of potential providers prepared	List of providers and their staff	03/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
C.3	One-on-one presentation and discussion with 30 providers	Results of discussions with potential providers Potential of the BDS Market in Tourism	06/2005		
C.5	MOUs signed with 10 providers	No. and content of contracts Needs for support of the providers	09/2005		
C.6	6 Business plans assessed and reviewed	Quality of plans Risk analysis	09/2005		
C.8	Results oriented contracts signed with 4 providers	Contents of the contract	09/2005		
C.9	4 providers assisted in development of products and markets	New kinds of products and markets developed	12/2005		
D.	Tourism Internet Platform				
D.3	Result oriented contract signed	Contents of the contract	06/2005		
D.4	Tourism internet portal operational	Use of the internet portal	06/2005 09/2005 12/2005		
E.	Training for Providers				
E.1	Trainers Training in 2 specific fields	Training Fields No. of trainers trained Quality of the training	09/2005 12/2005		
F.	Building Up a Pool of Potential Providers				
F.1	Trainers' training on 2 specific fields	Training Fields No. of trainers trained Quality of the training	09/2005 12/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
G.	Improvement of Industry and Provider Linkages				
G.1	1 pilot based on improved mechanisms supported and promoted	Improved mechanisms and success of intervention	09/2005 12/2005		

IT Subsector Cebu

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
A.	Virtual Market				
A.1	Database of providers	No. and size of providers	03/2005		
A.3+4	Business and operations plan developed and approved and result oriented contact signed	Business and operational plan Contact with provider	03/2005		
A.5	Virtual Market operational	Use of the virtual market of provider	03/2005 06/2005 09/2005 12/2005		Progress report (06/2005)
B.	Product and Market Development				
B.2	List of priority BDS/training courses of existing and potential providers prepared	List of providers	03/2005		
B.5	MOUs signed with 10 providers	MOU with 10 providers Assessment of cooperation with providers	06/2005		
B.8	Results oriented contracts signed with 4 providers	Results to achieve with providers	06/2005		
B.10	Semi annual progress reports	New products and market developed	06/2005		
Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments

C.	Organizational Development				
C.1	2 organizations identified and assisted in pre-OD phase	Type of organization and members Problems to solve in the organization/ association	03/2005		
C.4	Progress report compiled and assessed	OD-Interventions Improvements in the organization	06/2005 12/2005		
D.	Training for Providers				
D.1	Andragogic training conducted for 20 training providers	No. of training providers assisting Quality of the training	06/2005		
D.2	Balance scorecard training conducted for 10 providers	No. of providers assisting	03/2005		
E.	Building up a Pool of Potential Providers				
E.1	Trainers' training on 2 specific fields	Training Fields No. of trainers trained Quality of the training	09/2005		
F.	Improvement of industry and provider linkages				
F.1	IT Summit conducted	Success of the IT-Meeting	06/2005		
F.2	1 pilot based on improved mechanisms supported and promoted	Improved mechanisms and success of intervention	09/2005 12/2005		
F.3	1 pilot supported	Interest of DTI and academe Success of activity	09/2005 12/2005		
G.	IT Job and vocational courses campaign				

G.1.	Content and communication plan for IT occupation awareness campaign developed	Quality of the plan Performance of DTI and TESDA in plan realization	09/2005 12/2005		
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Components 1 & 2: MILESTONES 2005

LRED Leyte

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
A.	Consultancy and facilitation for the LRED process				
A.1	Action plan for Ormoc finalized	Activities which need direct SMEDSEP support	03/05		
A.2	Action plan implementation	State of action plan implementation Participation of stakeholders	03/2005 06/2005 09/2005 12/2005		
B.	LED-process initiated and implemented in other municipalities				
B.2	Rapid economic appraisal carried out in 3 municipalities	Documentation and recommendations	03/2005		
B.4	Action plan in 3 municipalities finalized	Activities which need direct SMEDSEP support	03/2005 06/2005		
B.5	Action plan implementation in identified municipalities	State of action plan implementation Participation of stakeholders	06/2005 09/2005 12/2005		
C.	Capacity development for the local structures				
3.2	Training program and material for LED training developed	No. and contents of training modules	06/2005 09/2005		
3.5	Training on LED for major stakeholders conducted and evaluated	No. of staff trained Quality of training (assessments of participants and self assessments of trainer)	09/2005		
D.	Business licensing process analysis in Ormoc				
D.3	Service Agreement for process improvements signed	Name of LGUs Conditions of contract	03/2005		

D.4	Process improvements for business registration	Progress in improvements	06/2005 09/2005	
D.6	Process improvements evaluated	Types of improvement, Time of registration and licensing	03/2006	
E.	Documentation of the LRED approach in Leyte			
E.2	Results and achievements documented		03/2006	

2.3.5. Component 2 Operational Plans

- Components 2 & 4: Tourism Sector Operational Plan
- Components 2 & 4: IT-Subsector Cebu Operational Plan
- Components 1 & 2: LRED-Approach Operational Plan

**2005 OPERATIONAL PLAN FOR NEGROS OCCIDENTAL TOURISM SECTOR
COMPONENTS 2 AND 4**

JANUARY 18, 2005 VERSION

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
A.	TECHNICAL ASSISTANCE TO THE TOURISM CORE GROUP																	
1.	Preparation of Tourism development plan	Tourism development plan prepared	2	DTI														2 Weeks International Consultant
2.	Capability build-up of the Tourism Core Group towards implementation and monitoring of the plan	Plan implemented and monitored	2	DTI														
B.	ORGANIZATIONAL DEVELOPMENT (OD) FOR ASSOCIATIONS/ORGANIZATIONS																	
1.	Identify associations for OD assistance and provide OD preparatory phase support	2 organizations identified and assisted in pre-OD phase	2	DTI														
2.	Implement OD interventions: Tourism Core Group + 2 associations	2 organizations undergo OD	2	DTI														2 Weeks International Consultant
3.	Provide support to continuous implementation of OD recommendations	2 organizations assisted in implementation of recommendations	2	DTI														
4.	Monitor OD results	Progress report compiled and assessed	2	DTI														
C.	PRODUCT AND MARKET DEV ASSISTANCE																	
1.	Elaborate and document	Program offer info	2 and	DTI														

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
	Program offer for Tourism sector-Negros Occidental	sheet developed	4	and TESDA														
2.	Prioritize BDS/training fields for development and identify potential providers	List of potential providers prepared	2 and 4	DTI and TESDA														
3.	Conduct one-on-one presentation to potential providers	One-on-one presentation and discussion with 30 providers	2 and 4	DTI and TESDA														
4.	Review and assess project proposals from providers	10 proposals reviewed and assessed	2 and 4	DTI and TESDA														
5.	Develop and sign MOU with providers	MOU signed with 10 providers	2 and 4	DTI and TESDA														
6.	Develop business and operation plans with providers	6 providers assisted in development of business and operations plans	2 and 4	DTI and TESDA														
7.	Assess and approve business plan with committee	6 business plans assessed and reviewed	2 and 4	DTI and TESDA														
8.	Prepare and sign results oriented contracts	Results oriented contracts signed with 4 providers	2 and 4	DTI and TESDA														
9.	Provide support to implementation of business and operation plans	4 providers assisted in development of products and markets	2 and 4	DTI and TESDA														
10.	Monitor Implementation	Semi-annual progress reports prepared	2 and 4	DTI and TESDA														
D.	TOURISM INTERNET PLATFORM																	

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
1.	Identify the provider/host	Provider/host identified	2 and 4	DTI and TESDA														
2.	Develop business plan	Business and operations plan developed and approved	2 and 4	DTI and TESDA														
3.	Develop and agree on support scheme and results	Results oriented contract signed	2 and 4	DTI and TESDA														
4.	Provide support to set-up and operational of Platform	Platform operational	2	DTI														
E.	TRAINING FOR PROVIDERS																	
1.	Provide support to TESDA and academe in conduct of trainers' upgrading training	Trainers' training on 2 specific fields	4	TESDA														
F.	BUILDING UP A POOL OF POTENTIAL PROVIDERS																	
1.	Trainors to include company-based trainors --- employees and owners who also act as trainors.	Trainers' training on 2 specific fields	2 and 4	DTI and TESDA														
G.	IMPROVEMENT OF INDUSTRY AND PROVIDER LINKAGES																	
1.	Assist in the improvement of dual training implementation and linkages with industry	1 pilot based on improved mechanisms supported and promoted	4	TESDA														

**2005 OPERATIONAL PLAN FOR CEBU INFORMATION TECHNOLOGY SECTOR
COMPONENTS 2 AND 4**

JANUARY 18, 2005 VERSION

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12	
A.	VIRTUAL MARKET (VM)																
1.	Update list of BDS and training providers	Database of providers	2 and 4	DTI TESDA													
2.	Identify provider for VM	MOU with provider signed	2	DTI													
3.	Develop VM system, business and operational plans	VM system, business and operational plans developed and approved	2	DTI													
4.	Develop and agree on support scheme and results	Results oriented contract signed	2 and 4	DTI TESDA													
5.	Provide support to set-up and operation of VM	VM operational	2 and 4	DTI TESDA													International Consultant
B.	PRODUCT DEVELOPMENT AND MARKET DEVELOPMENT																
1.	Elaborate and document Program offer for IT Sector-Cebu	Program offer info sheet developed	2 and 4	DTI TESDA													
2.	Prioritize BDS/training fields for development and identify potential providers	List of priority BDS/training courses for development or revitalization including potential providers prepared	2 and 4	DTI TESDA													
3.	Conduct one-on-one presentation to potential providers	One-on-one presentation and discussion with 30	2 and 4	DTI TESDA													Local Consultant

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12	
		providers															
4.	Review and assess project proposals from providers	10 proposals reviewed and assessed	2 and 4	DTI TESDA													
5.	Develop and sign MOU with providers	MOU signed with 10 providers	2 and 4	DTI TESDA													
6.	Develop business and operations plan with providers	6 providers assisted in development of business and operations plans	2 and 4	DTI TESDA													
7.	Assess and approve business plan with committee	6 business plans assessed and reviewed	2 and 4	DTI TESDA													
8.	Prepare and sign results oriented contracts	Results oriented contracts signed with 4 providers	2 and 4	DTI TESDA													
9.	Provide support to implementation of business and operational plan	4 providers assisted in development of products and markets	2 and 4	DTI TESDA													
10.	Monitor implementation	Semi-annual progress reports prepared	2 and 4	DTI TESDA													
C.	ORGANIZATIONAL DEVELOPMENT (OD) FOR ASSOCIATIONS/ORGANIZATION																
1.	Identify organizations for OD assistance and provide OD preparatory phase support	2 organizations identified and assisted in pre-OD phase	2	DTI													
2.	Implement OD intervention	2 organizations undergo OD	2	DTI													

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
3.	Provide support to continuous implementation of OD recommendations	2 organizations assisted in implementation of recommendations	2	DTI														
4.	Monitor results	Progress report compiled and assessed	2	DTI														
D.	TRAINING FOR PROVIDERS																	
1.	Conduct andragogic training for providers	Andragogic training conducted for 20 training providers	4	TESDA														International Consultant
2.	Conduct balance scorecard training for providers	Balance scorecard training conducted for 10 providers	2	DTI														International Consultant
E.	BUILDING UP A POOL OF POTENTIAL PROVIDERS																	
1.	Trainers to include company-based trainers --- employees and owner who also act as trainers	Trainers' training on 2 specific fields	4	TESDA														DTI & TESDA initiates
F.	IMPROVEMENT OF INDUSTRY AND PROVIDERS LINKAGES																	
1.	Provide support to organizer of IT Summit	IT Summit conducted	2 and 4	DTI and TESDA														1 Event
2.	Assist in the improvement of dual training implementation and linkages with industry	1 pilot based on improved mechanisms supported and promoted	4	TESDA														Resources based on demand of TESDA
3.	Provide demand-led assistance to DTI in establishment of	1 pilot supported	2	DTI														Resources based on

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS		
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12			
	industry supported academe based R and D facilities																		demand of DTI
G.	IT JOB AND VOCATIONAL COURSES CAMPAIGN																		
1.	Provide assistance to DTI and TESDA in development of content and communication plan for awareness campaign	Content and communication plan for IT occupation awareness campaign developed	4	TESDA															DTI & TESDA initiates

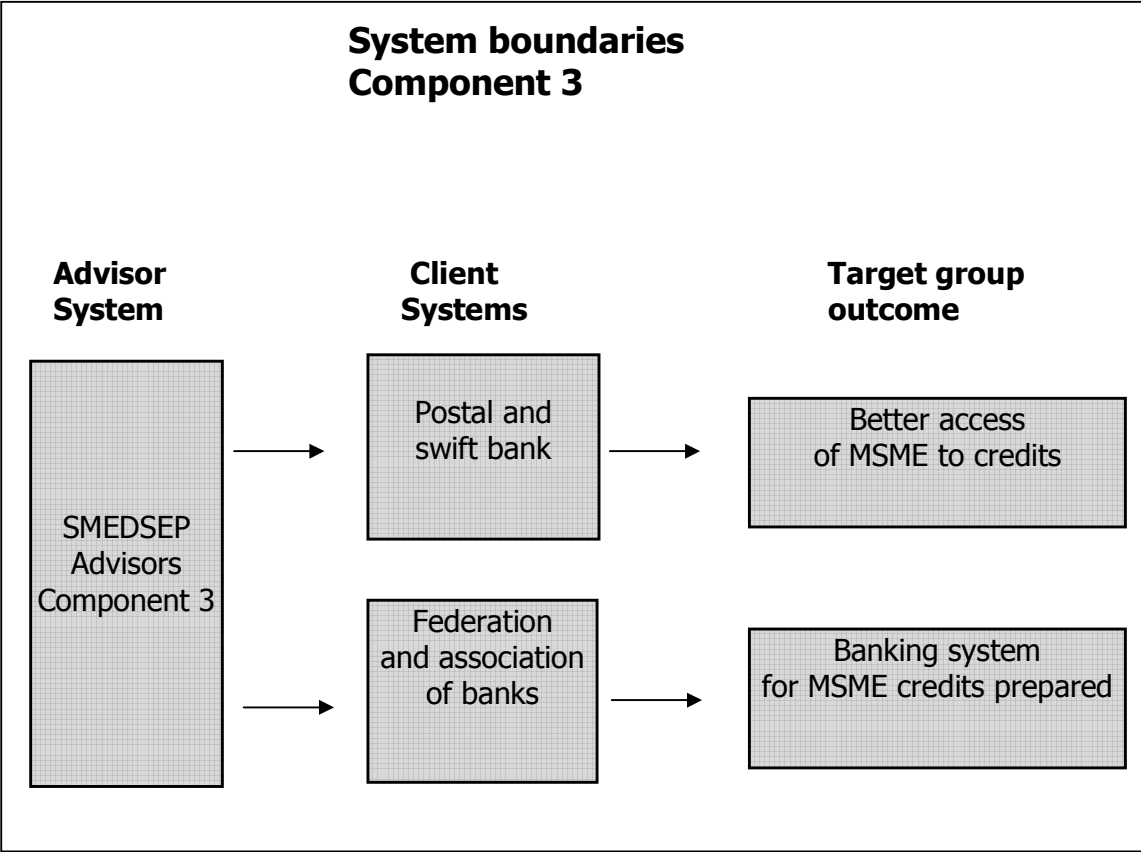
2.4. COMPONENT 3: FINANCIAL SERVICES FOR MSME

The elements and operational steps of the SMEDSEP monitoring system with relevance to component 3 of the SMEDSEP program are the following:

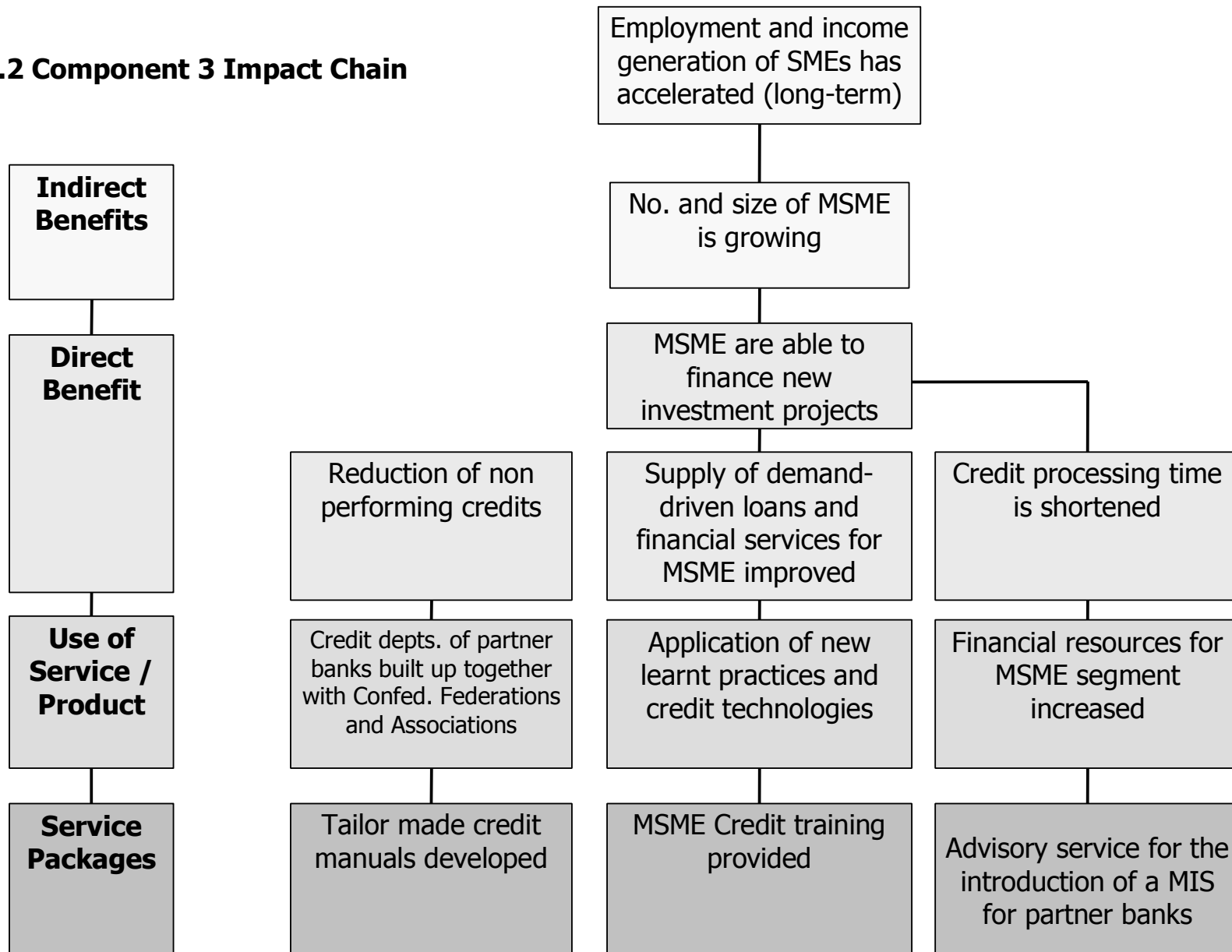
- program structure and system boundaries
- impact chains
- indicators
- milestones
- plan of operation
- methods of data collection

Each of these elements needs to be updated regularly by the component management in order to ensure the up-to-dateness of the monitoring manual and the smooth and effective implementation of the SMEDSEP monitoring process. The presently given information only reflects the present status (mid-February 2005).

2.4.1. Component 3 Structure and System Boundaries



2.4.2 Component 3 Impact Chain



2.4.3. Indicators and Methods of Data Collection

Component 3 Indicators and Methods of Data Collection

No. Objective <i>Component 3</i>	Indicators	Method of data collection	Until When
<i>Selected banks in the Visayas region increase the share of MSMEs in their credit portfolio.</i>	0.4. The ratio of SME loans to the total loan portfolio increases in partner banks in the pilot province significantly (at least 10 % compared to the values for the previous year).	0.4. Internal information of the MIS of the postal bank. Yearly monitoring Inquiry of 10 rural banks, starting 2005).	Baseline values for 2004 4/2005
	3.1. The processing time for SME credits is reduced from more than 3 month on average in 2004 to 2 month in 2005.	3.1. Internal data from partner banks, Baseline data for 2004 and Verification for 2005	Baseline data for 2004 verification for 2005
	3.2. Significant increase in medium- and long-term investment loans for MSMEs (5% per year) at the banks being promoted in comparison to 2005.	3.2. Method of Data Collection Internal data from partner banks	Baseline data for 2004 verification for 2005
	3.3. The proportion of non-performing MSME loans granted by the partner banks has dropped to 5 % in 2006 in comparison to 15-17% in 2004.	3.3. Method of Data Collection Internal data from partner banks	Baseline data for 2004 verification for 2005

2.4.4. Milestones Component 3

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
3.1.1	Visayas-wide implementation of manuals and procedures	Manuals and procedures implemented	03/2005 06/2005 09/2005		
3.1.2	Implementation of procedures at Philippine Postal Savings Bank	State of implementation of procedures	03/2005 06/2005		
3.1.3	Implementation of international SME Finance best practices	Implementation of best practices on Branch level, Cebu, Leyte, Negros, HN	06/2005 09/2005 12/2005		
3.1.4	Senior loan officer from Negros trained in international SME Finance best practices	No. of trained staff Evaluation of training by participants	06/2005		
3.1.5	Demand from partner bank identified & Workshop in identification of sunrise industries conducted.	Scope of demand	09/2005		
3.1.6	SME Credit MIS in place	Progress in MIS implementation	03/2005 06/2005 09/2005		
3.2.1	Federation-wide implementation of manuals and procedures	Outreach of applied manuals and procedures	03/2005 06/2005 09/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
3.2.3	Implementation of international SME Finance best practices in Leyte	Best practices implemented on improved credit technologies, risk management and credit scoring	12/2005		
3.2.4	Senior loan officer from Leyte trained in international SME Finance best practices	No. of trained staff Evaluation of training by participants	3/2005		
3.3.1	Implementation of international SME Finance best practices in Negros occidental	Best practices implemented on improved credit technologies, risk management and credit scoring	12/2005		
3.3.2	Senior loan officer from Negros trained in international SME Finance best practices	No. of trained staff Evaluation of training by participants	06/2005		
3.3.3	SME MIS in place	Progress in MIS implementation	09/2005		
3.4.1	Implementation of international SME Finance best practices in Cebu	Best practices implemented on improved credit technologies, risk management and credit scoring	09/2005 12/2005		
3.5.1	1) PBs selected at the end of Dec. 2005.	Name of partner banks	09/2005 12/2005		

2.4.5 Component 3 Operational Plan

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks
				01	02	03	04	05	06	07	08	09	10	11	12	
	Component 3															
3.1.1	Development of tailor made Manuals for MSME Lending for Philippine Postal Savings Bank Inc.	Visayas-wide implementation of manuals and procedures	Visayas Area Office Manager, Tacloban City, Leyte and Postal Bank headquarters, Manila, HN													
3.1.2	Standard procedures to streamline SME Lending	Implementation of procedures at Philippine Postal Savings Bank	Postal Bank Center, Manila, HN													
3.1.3	Improved Credit Technology & Credit Risk Management, credit scoring in Visayas branches	Implementation of international SME Finance best practices	Branch level, Cebu, Leyte, Negros, HN													1 National consultant
3.1.4	Senior Loan Officer Training in Bacolod at Negros Women for Tomorrow Foundation, Inc.	25 senior loan officer from Negros trained in international SME Finance best practices	Negros Occidental Federation of Rural Bankers, Co-trainer of PPSB Cebu branch and other PFI's, DTI, SBC, HN													1 International Expert & 2 national
3.1.5	Evaluation of cooperation models from BDS/FS	Identify demand from partner bank & Workshop in identification of sunrise industries.	DTI, ME, HN													
3.1.6	Strengthen MIS	SME Credit MIS in place	Bank / Branch Management, HN													
3.2.1	Development of MSME Credit Manuals for Rural Banks in Leyte	Federation-wide implementation of manuals and procedures	Leyte/Samar/Biliran Federation of Rural Bankers & Rural Bankers Association of the Philippines, RBAP, HN													
3.2.2	Standard procedures to streamline SME Lending in Leyte.	Implementation of procedures	Rural Bank of Dulag, Cooperative Bank of Leyte, Tacloban City, HN													
3.2.3	Improved Credit Technology & Credit Risk Management, credit scoring in Leyte branches	Implementation of international SME Finance best practices	Leyte/Samar/Biliran Federation of Rural Bankers & Rural Bankers Association of the Philippines, RBAP, HN													

No.	Service / Activities	Milestone / Expected Output	Responsible Collaborators	2005												Resources Needed / Remarks	
				01	02	03	04	05	06	07	08	09	10	11	12		
3.2.4	Senior Loan Officer Training in Leyte on Jan. 31-Feb. 4, 2005.	25 senior loan officer from Leyte trained in international SME Finance best practices	Co-trainer of PPSB Cebu branch and other PFI's, DTI, SBC, HN														1 International Expert & 2 national
3.3.1	Improved Credit Technology & Credit Risk Management, credit scoring in Negros Occidental branches	Implementation of international SME Finance best practices	Negros Occidental Federation of Rural Bankers & Rural Bankers Association of the Philippines, RBAP, HN														
3.3.2	Senior Loan Officer Training in Negros Occidental in June.	25 senior loan officer from Leyte trained in international SME Finance best practices	Co-trainer of PPSB Cebu branch and other PFI's, DTI, SBC, HN														1 International Expert & 2 national
3.3.3	Strengthen MIS	SME MIS in place	Bank / Branch Management														
3.4.1	Improved Credit Technology & Credit Risk Management, credit scoring in Cebu branches	Implementation of international SME Finance best practices	Cebu Federation of Rural Bankers, Inc. & Rural Bankers Association of the Philippines, RBAP, HN														
3.5.1	Selection of Partner Bank from Commercial Bank Sector.	1) PBs selected at the end of Dec. 2005.	Association of Commercial Bank, SBC, HN														
3.3.2	Forward CIM / DED request	Request send to CIM headquarters in	HN, MV														

Legend:

MV = Martina Vahlhaus, CW = Christian Widmann, ME = Markus Ehmman, HN = Harald Neimeier

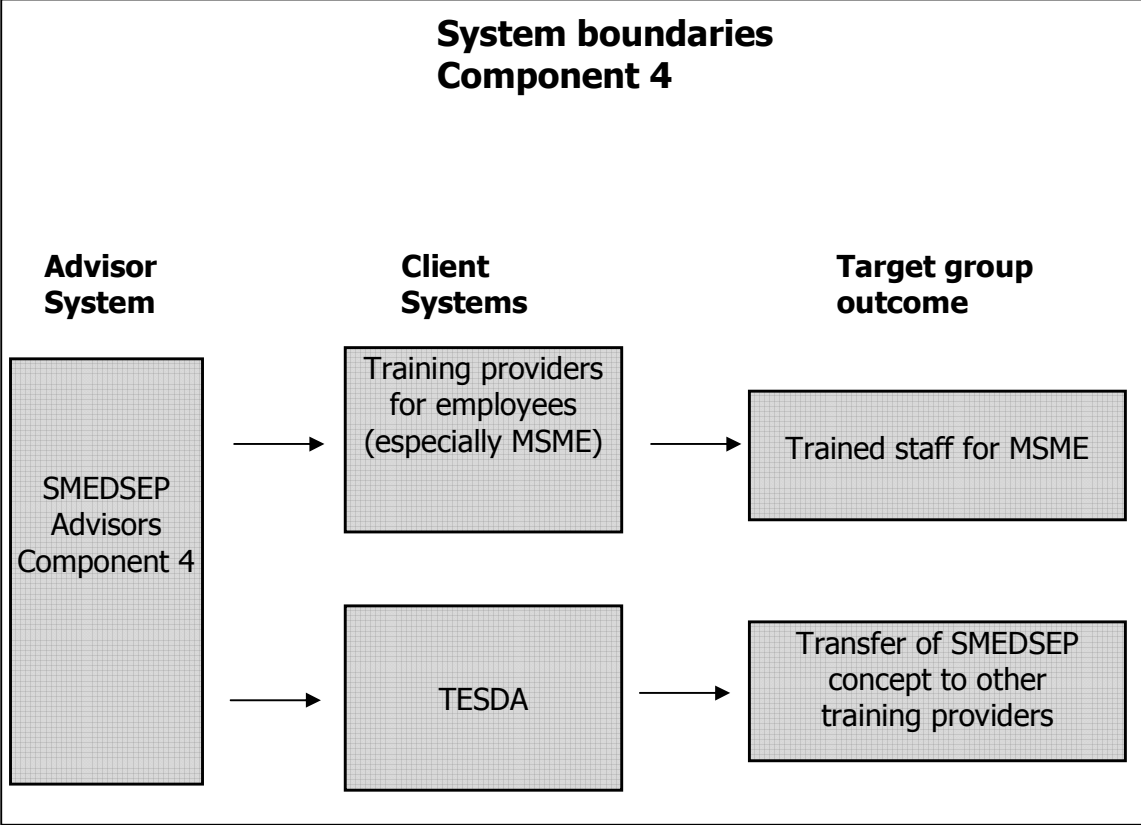
2.5. COMPONENT 4: IMPROVEMENT OF VOCATIONAL UPGRADING

The elements and operational steps of the SMEDSEP monitoring system with relevance to component 4 of the SMEDSEP program are the following:

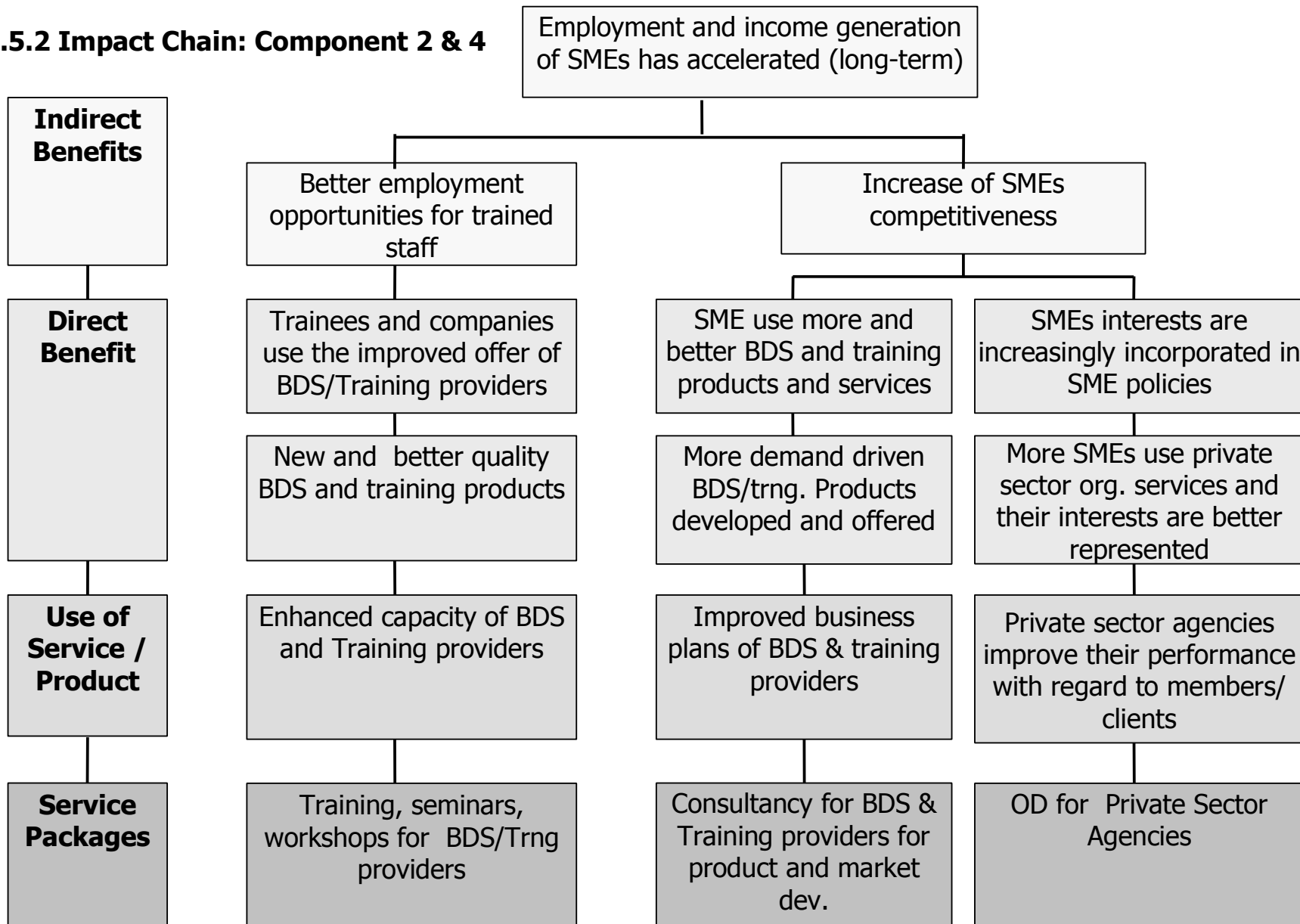
- program structure and system boundaries
- impact chains
- indicators
- milestones
- plans of operation
- methods of data collection

Each of these elements needs to be updated regularly by the component management in order to ensure the up-to-dateness of the monitoring manual and the smooth and effective implementation of the SMEDSEP monitoring process. The presently given information only reflects the present status (mid-February 2005).

2.5.1. Component 4 Program Structure and System Boundaries



2.5.2 Impact Chain: Component 2 & 4



2.5.3. Component 4 Indicators and Methods of Data Collection

No.	Objective	Indicators	Method of data collection	Until When
	Component 4 objective: <i>Demand-oriented training and upgrading is more readily available for people capable of work in the Visayas region.</i>	4.1. The demand from people capable of work for training programmes offered by the upgrading institutions being assisted increases by around 5% a year after training providers sign contract	4.1. Survey of supported training providers	Baseline data 2004 results available in 3/2005 verification for 2005 results available in 3/2006
		4.2 At least 70% of those completing the aforementioned training programmes find a job a year after training providers sign contract.	4.2. Statistics about the follow up of trained people of supported training providers (this obligation has to be mentioned in the MOA's with training providers)	Ongoing activity Baseline data for 2004 available in 3/2005 verification for 2005 results available in 3/2006
		4.3. At least 70% of the MSMEs that employ people who took part in the aforementioned training and/or upgrading programmes assess 6 months afterwards that these programmes are beneficial for their company.	4.3. Survey of at least 10 selected MSME which employ trained people of the SMEDSEP-supported training providers	Baseline data for 2004 available in 3/2005 verification for 2005 results available in 3/2006
		4.4. At least 4 private partners provide inputs to enhance training capacities within public-private partnerships (PPPs).	4.4. MOA's with private Partners	Ongoing activity

2.5.4 Components 2 & 4: Milestones

Components 2 & 4: MILESTONES 2005

Tourism Sector

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
A.	Technical Assistance to the Tourism Core Group				
A.1	Tourism development plan prepared	Self-assessment of quality of the plan and participation of stakeholders (value-added of the program)	06/2005		
A.2	Tourism development plan for Negros Occ. implemented and monitored (06-12/2005)	Which services were given? How were they received? What were the (possible) effects of the services provided?	06/2005 09/2005 12/2005		Compare tourism plan before and after
B.	Organizational Development for Associations/Organizations				
B.1	2 organizations identified and assisted in pre-OD phase	Type of organization and members Problems to solve in the organization/association	03/2005		
B.4	Assessment of OD results (04-12/2005) – progress report compiled & assessed	Self-assessment of effectiveness of interventions	06/2005 09/2005 12/2005		Progress report (06/2005)
C.	Product and Market Development Assistance				
C.2	List of potential providers prepared	List of providers and their staff	03/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
C.3	One-on-one presentation and discussion with 30 providers	Results of discussions with potential providers Potential of the BDS Market in Tourism	06/2005		
C.5	MOUs signed with 10 providers	No. and content of contracts Needs for support of the providers	09/2005		
C.6	6 Business plans assessed and reviewed	Quality of plans Risk analysis	09/2005		
C.8	Results oriented contracts signed with 4 providers	Contents of the contract	09/2005		
C.9	4 providers assisted in development of products and markets	New kinds of products and markets developed	12/2005		
D.	Tourism Internet Platform				
D.3	Result oriented contract signed	Contents of the contract	06/2005		
D.4	Tourism internet portal operational	Use of the internet portal	06/2005 09/2005 12/2005		
E.	Training for Providers				
E.1	Trainers Training in 2 specific fields	Training Fields No. of trainers trained Quality of the training	09/2005 12/2005		
F.	Building Up a Pool of Potential Providers				
F.1	Trainers' training on 2 specific fields	Training Fields No. of trainers trained Quality of the training	09/2005 12/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
G.	Improvement of Industry and Provider Linkages				
G.1	1 pilot based on improved mechanisms supported and promoted	Improved mechanisms and success of intervention	09/2005 12/2005		

IT Subsector Cebu

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
A.	Virtual Market				
A.1	Database of providers	No. and size of providers	03/2005		
A.3+4	Business and operations plan developed and approved and result oriented contact signed	Business and operational plan Contact with provider	03/2005		
A.5	Virtual Market operational	Use of the virtual market of provider	03/2005 06/2005 09/2005 12/2005		Progress report (06/2005)
B.	Product and Market Development				
B.2	List of priority BDS/training courses of existing and potential providers prepared	List of providers	03/2005		
B.5	MOUs signed with 10 providers	MOU with 10 providers Assessment of cooperation with providers	06/2005		
B.8	Results oriented contracts signed with 4 providers	Results to achieve with providers	06/2005		
B.10	Semi annual progress reports	New products and market developed	06/2005		

Ref. No.	Milestone	Information Needed	Monitoring Meeting	Achievements/ Deviations	Comments
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C.	Organizational Development				
C.1	2 organizations identified and assisted in pre-OD phase	Type of organization and members Problems to solve in the organization/ association	03/2005		
C.4	Progress report compiled and assessed	OD-Interventions Improvements in the organization	06/2005 12/2005		
D.	Training for Providers				
D.1	Andragogic training conducted for 20 training providers	No. of training providers assisting Quality of the training	06/2005		
D.2	Balance scorecard training conducted for 10 providers	No. of providers assisting	03/2005		
E.	Building up a Pool of Potential Providers				
E.1	Trainers' training on 2 specific fields	Training Fields No. of trainers trained Quality of the training	09/2005		
F.	Improvement of industry and provider linkages				
F.1	IT Summit conducted	Success of the IT-Meeting	06/2005		
F.2	1 pilot based on improved mechanisms supported and promoted	Improved mechanisms and success of intervention	09/2005 12/2005		
F.3	1 pilot supported	Interest of DTI and academe Success of activity	09/2005 12/2005		
G.	IT Job and vocational courses campaign				

G.1.	Content and communication plan for IT occupation awareness campaign developed	Quality of the plan Performance of DTI and TESDA in plan realization	09/2005 12/2005		
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2.5.5. Component 4 Operational Plans

- Components 2 & 4: Tourism Sector Operational Plan
- Components 2 & 4: IT-Subsector Cebu Operational Plan

**2005 OPERATIONAL PLAN FOR NEGROS OCCIDENTAL TOURISM SECTOR
COMPONENTS 2 AND 4**

JANUARY 18, 2005 VERSION

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12	
A.	TECHNICAL ASSISTANCE TO THE TOURISM CORE GROUP																
1.	Preparation of Tourism development plan	Tourism development plan prepared	2	DTI													2 Weeks International Consultant
2.	Capability build-up of the Tourism Core Group towards implementation and monitoring of the plan	Plan implemented and monitored	2	DTI													
B.	ORGANIZATIONAL DEVELOPMENT (OD) FOR ASSOCIATIONS/ORGANIZATIONS																
1.	Identify associations for OD assistance and provide OD preparatory phase support	2 organizations identified and assisted in pre-OD phase	2	DTI													
2.	Implement OD interventions: Tourism Core Group + 2 associations	2 organizations undergo OD	2	DTI													2 Weeks International Consultant
3.	Provide support to continuous implementation of OD recommendations	2 organizations assisted in implementation of recommendations	2	DTI													
4.	Monitor OD results	Progress report compiled and assessed	2	DTI													
C.	PRODUCT AND MARKET DEV ASSISTANCE																
1.	Elaborate and document	Program offer info	2 and	DTI													

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
	Program offer for Tourism sector-Negros Occidental	sheet developed	4	and TESDA														
2.	Prioritize BDS/training fields for development and identify potential providers	List of potential providers prepared	2 and 4	DTI and TESDA														
3.	Conduct one-on-one presentation to potential providers	One-on-one presentation and discussion with 30 providers	2 and 4	DTI and TESDA														
4.	Review and assess project proposals from providers	10 proposals reviewed and assessed	2 and 4	DTI and TESDA														
5.	Develop and sign MOU with providers	MOU signed with 10 providers	2 and 4	DTI and TESDA														
6.	Develop business and operation plans with providers	6 providers assisted in development of business and operations plans	2 and 4	DTI and TESDA														
7.	Assess and approve business plan with committee	6 business plans assessed and reviewed	2 and 4	DTI and TESDA														
8.	Prepare and sign results oriented contracts	Results oriented contracts signed with 4 providers	2 and 4	DTI and TESDA														
9.	Provide support to implementation of business and operation plans	4 providers assisted in development of products and markets	2 and 4	DTI and TESDA														
10.	Monitor Implementation	Semi-annual progress reports prepared	2 and 4	DTI and TESDA														
D.	TOURISM INTERNET PLATFORM																	

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
1.	Identify the provider/host	Provider/host identified	2 and 4	DTI and TESDA														
2.	Develop business plan	Business and operations plan developed and approved	2 and 4	DTI and TESDA														
3.	Develop and agree on support scheme and results	Results oriented contract signed	2 and 4	DTI and TESDa														
4.	Provide support to set-up and operational of Platform	Platform operational	2	DTI														
E.	TRAINING FOR PROVIDERS																	
1.	Provide support to TESDA and academe in conduct of trainers' upgrading training	Trainers' training on 2 specific fields	4	TESDA														
F.	BUILDING UP A POOL OF POTENTIAL PROVIDERS																	
1.	Trainors to include company-based trainors --- employees and owners who also act as trainors.	Trainers' training on 2 specific fields	2 and 4	DTI and TESDA														
G.	IMPROVEMENT OF INDUSTRY AND PROVIDER LINKAGES																	
1.	Assist in the improvement of dual training implementation and linkages with industry	1 pilot based on improved mechanisms supported and promoted	4	TESDA														

**2005 OPERATIONAL PLAN FOR CEBU INFORMATION TECHNOLOGY SECTOR
COMPONENTS 2 AND 4**

JANUARY 18, 2005 VERSION

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
A.	VIRTUAL MARKET (VM)																	
1.	Update list of BDS and training providers	Database of providers	2 and 4	DTI TESDA														
2.	Identify provider for VM	MOU with provider signed	2	DTI														
3.	Develop VM system, business and operational plans	VM system, business and operational plans developed and approved	2	DTI														
4.	Develop and agree on support scheme and results	Results oriented contract signed	2 and 4	DTI TESDA														
5.	Provide support to set-up and operation of VM	VM operational	2 and 4	DTI TESDA														International Consultant
B.	PRODUCT DEVELOPMENT AND MARKET DEVELOPMENT																	
1.	Elaborate and document Program offer for IT Sector-Cebu	Program offer info sheet developed	2 and 4	DTI TESDA														
2.	Prioritize BDS/training fields for development and identify potential providers	List of priority BDS/training courses for development or revitalization including potential providers prepared	2 and 4	DTI TESDA														
3.	Conduct one-on-one presentation to potential providers	One-on-one presentation and discussion with 30	2 and 4	DTI TESDA														Local Consultant

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12	
		providers															
4.	Review and assess project proposals from providers	10 proposals reviewed and assessed	2 and 4	DTI TESDA													
5.	Develop and sign MOU with providers	MOU signed with 10 providers	2 and 4	DTI TESDA													
6.	Develop business and operations plan with providers	6 providers assisted in development of business and operations plans	2 and 4	DTI TESDA													
7.	Assess and approve business plan with committee	6 business plans assessed and reviewed	2 and 4	DTI TESDA													
8.	Prepare and sign results oriented contracts	Results oriented contracts signed with 4 providers	2 and 4	DTI TESDA													
9.	Provide support to implementation of business and operational plan	4 providers assisted in development of products and markets	2 and 4	DTI TESDA													
10.	Monitor implementation	Semi-annual progress reports prepared	2 and 4	DTI TESDA													
C.	ORGANIZATIONAL DEVELOPMENT (OD) FOR ASSOCIATIONS/ORGANIZATION																
1.	Identify organizations for OD assistance and provide OD preparatory phase support	2 organizations identified and assisted in pre-OD phase	2	DTI													
2.	Implement OD intervention	2 organizations undergo OD	2	DTI													

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
3.	Provide support to continuous implementation of OD recommendations	2 organizations assisted in implementation of recommendations	2	DTI														
4.	Monitor results	Progress report compiled and assessed	2	DTI														
D.	TRAINING FOR PROVIDERS																	
1.	Conduct andragogic training for providers	Andragogic training conducted for 20 training providers	4	TESDA														International Consultant
2.	Conduct balance scorecard training for providers	Balance scorecard training conducted for 10 providers	2	DTI														International Consultant
E.	BUILDING UP A POOL OF POTENTIAL PROVIDERS																	
1.	Trainers to include company-based trainers --- employees and owner who also act as trainers	Trainers' training on 2 specific fields	4	TESDA														DTI & TESDA initiates
F.	IMPROVEMENT OF INDUSTRY AND PROVIDERS LINKAGES																	
1.	Provide support to organizer of IT Summit	IT Summit conducted	2 and 4	DTI and TESDA														1 Event
2.	Assist in the improvement of dual training implementation and linkages with industry	1 pilot based on improved mechanisms supported and promoted	4	TESDA														Resources based on demand of TESDA
3.	Provide demand-led assistance to DTI in establishment of	1 pilot supported	2	DTI														Resources based on

NO.	SERVICES/ACTIVITIES	MILESTONES/ EXPECTED OUTPUTS	RESPONSIBLE		2005												RESOURCES/ REMARKS	
			COMP	COLL	1	2	3	4	5	6	7	8	9	10	11	12		
	industry supported academe based R and D facilities																	demand of DTI
G.	IT JOB AND VOCATIONAL COURSES CAMPAIGN																	
1.	Provide assistance to DTI and TESDA in development of content and communication plan for awareness campaign	Content and communication plan for IT occupation awareness campaign developed	4	TESDA														DTI & TESDA initiates