„Consultation for the Development of Services in the Field of Quality Infrastructure, the Philippines“

Summary of the Evaluation Report

Project Data

Project No.:	2006.2039.3
Amount of the German Contribution:	800.000,00
Period of current Phase:	05/2011 to 12/2013
Total Period:	2/2
Evaluation Period:	05/2011 to 10/2013
Type of Evaluation:	Decentralised stand-alone development measure evaluation
PTB Working Group:	Q.52
Responsible Project Coordinator:	Dr. Anna Cypionka
Evaluator/s:	Thorsten Trede (Lead Evaluator) Dr Toshiyuki Takatsuji (Technical Expert)

Project Description

The project is currently at the end of the second implementation phase (12/2013). The project **objective** is defined as follows:

“The functional concept of the Philippine quality infrastructure is designed, and efficient and demand-oriented services are offered in the field of metrology and accreditation.”

The indicators of achievement for the project objective have been defined as follows:

1. A draft of a quality law which defines the tasks and responsibilities in accordance with international conventions has been elaborated in a participatory manner.

2.1 5 laboratories of the national metrology laboratory have proved their competence for different measurands by way of accreditation or re-accreditation according to international provisions (initial value = 3).

2.2 The Philippines have achieved internationally registered entries of its measurement capabilities (at least 3 entries in BIPM's CMC database; initial value = 0).

3.1 The national accreditation body maintains its independence, which was attested by means of peer evaluations, as required by the APLAC MRA.

3.2 The number of accredited bodies has increased by at least 20% in all fields with the initial values (April 2011) being: Testing laboratories: 152; Calibration laboratories: 18; Conformity assessment bodies: 9 and Inspection bodies: 1

Assessment of the project

Concept and Impact Chain

An overall objective has not been defined. This might technically not be necessary, but might have been helpful for guidance in project implementation esp. as a larger gap between the identified “core problem” and the project objective remains and QI should not be an end in itself. However, the project ultimately aims at supporting the Philippines in developing a need-oriented and demand driven quality infrastructure that is able to support the industry (esp. SME) in their effort to meet the demands of the globalised market (core problem as per project proposal of PTB to BMZ).

The project objective is unfortunately not absolutely clearly defined and thus does not give the guidance for project implementation it could have given. It is not entirely clear what a “functional concept” is, esp. against the background that the industry does so far not complain that the QI does not function (is the existing “system” thus already functional?). In addition, the question what a designed concept is remains open (indicator 1 gives some indication for this; see below). Finally, the objective does not indicate by whose demand the services should be driven.

According to the offer of PTB to BMZ („Arbeitsvorschlag“; PN 2006.2039.3 – 95235) the impact chain is defined as follows: The anticipated **impact** (Indirect Benefits) are defined as “A functional system of quality infrastructure not only represents a flanking measure for access to international trade, but must be considered in terms of consumer protection, labour protection and environmental protection as a component of good governance.” The impact is planned to be achieved by the **outcomes**, defined as “PAO and ITDI-NML provide customer-oriented quality infrastructure services according to international standards.” The **use of the outputs** of the project have been defined as:

- At the macro level customised solutions in terms of the institutional quality infrastructure landscape in accordance with international best practices are transferred in legislation.
- At the meso-level, the government (including the calibration system) and private customers of internationally accredited laboratories get services (calibrations), which are required for evidence of compliance with international standards (conformity assessment).
- The customers of ITDI-NML use the calibration certificates issued as evidence in the context of quality management and / or as direct proof of quality for their customers.
- PAO uses the improved services for the expansion of the accreditations and the preservation of the APLAC MRA.
- ITDI-NML and PAO are well connected regionally, participate actively in the bodies of specialist regional bodies and take part in decision making.

with the planned **outputs** to be:

- Institutional strengthening of Philippine MSTQ Inc. as advocacy group and independent advisory body.
- Development of conceptual designs for the construction of a national quality infrastructure (institutional division of labour) in accordance with the requirements of the WTO TBT Agreements (macro level).

- Policy advice to the institutional strengthening of the accreditation body PAO and the metrology laboratory ITDI-NML (macro level).
- Bringing up of the calibration laboratories of the ITDI-NML to international accreditations according to ISO/ IEC 17025 (training and technical consultancy).
- Supporting the concept development of a customised service offer of ITDI-NML.
- Support the Philippine Accreditation Body PAO in the expansion of services.
- Promotion of the integration of ITDI-NML und PAO to specialist regional bodies.

The impact chain seems to be logic and describes the output and use of outputs in an adequate manner. On the level of outcome the approach to develop QI as an integrated system seems to be lost a little, as PAO and NML could offer demand-driven services without a fully integrated system of QI being in place. At the same time, the impact is based on the fact that such a system is in place at the end of the project.

The project has chosen the approach/strategy to support PhilMSTQ Inc. as local advocacy group to support innovation and learning throughout the system. This approach is innovative and highly interesting from a development perspective. However, at the beginning of the project PhilMSTQ Inc. – as the motor for innovation and learning – itself was not strong enough, did not have the right standing and image and did not seem to have appropriate knowledge about QI to fully support innovation and learning on all levels. The project has therefore – correctly – strengthened PhilMSTQ Inc. to fulfil its mandate in future. The approach of the project to support PhilMSTQ Inc. is not only innovative but lays the foundation for sustainability. This also included the approach to make use of PhilMSTQ Inc. as platform for PAO and NML as well as others to work closer together in developing an integrated QI.

The project has (outputs)

- strengthened PhilMSTQ Inc. to act as advocacy group for a “robust QI in the Philippines” (vision of PhilMSTQ Inc.). PhilMSTQ Inc. is now a registered “not-for-Profit Organisation” in the Philippines with three staff members offering trainings, consulting and being active in advocacy. However, more has to be done to ensure sustainability of PhilMSTQ Inc.’s operation and make them independent from the project and connect them better to other stakeholders in QI such as PAO and NML;
- supported NML in being accredited according to ISO 17025 with workshops and consultancy and thus supported NML in developing new service offers

At the same time:

- the project also implemented activities to support the development of concepts and designs of QI according to the WTO-TBT Agreements, however, has thus far not been fully successful as the project has first concentrated on supporting PhilMSTQ Inc. to enable them to develop such concepts jointly with other stakeholders;
- support to PAO has also not been fully successful due to PAO internal reasons (re-organisation, constantly changing personnel). For this reason the project had difficulties to implement planned activities, which led to a situation in which an important partner in QI was almost not included in the project activities.

On the use of output level, the following is recognised:

- As the project has not worked on a concept and design of a Philippines QI jointly defined by all stakeholders, a related law could not be developed and was thus not adopted;
- NML has clearly widened its services for the industry and secondary laboratories and makes full use of the output created by the project;
- The industry makes use of the new services of NML e.g. in calibration. In addition some governmental organisations (Coconut Authority, Sugar Authority and others) make use of the NML services and offer traceable measurements.

On the outcome level (direct benefits) the project has made considerable contribution esp. to NML’s development. NML today offers more services than at the beginning of the project. However, not all of these seem to be fully customer oriented, as the demand of the customers (be it secondary laboratories or the industry) has never been assessed in the framework of the project. However, it is also true that the measurand selected are basic measurands that are of importance in any case. With regard to PAO very minor outcomes can be recognised due to the internal problems of PAO mentioned earlier.

It is fully true that a functioning QI system not only supports the access to international markets but is also an important pillar in good governance as it supports consumer protection, occupational health and safety as well as environmental protection. However, it has to be stated that the project did not work on the systems level of QI in a way that really supported the impact on a higher level.

Relevance

The Philippines so far clearly do not have a functioning fully integrated QI in place that fulfils the functions of an internationally comparable and independent QI. One of the main challenges is the “weakness” of PAO as accreditation body. Although PAO is thus far regarded as independent accreditation body, they will have to ensure that they ,maintain the status through the next peer-review. In addition the Standard setting bodies mainly concentrate on technical regulations and do not distinguish between these and voluntary standards and thus do not support competitiveness and innovation to date. All project partners agree that the development of an integrated Philippine QI is highly relevant for competitiveness of the industry, esp. before the background of ASEAN 2015 (opening of ASEAN market). However, it has to be stated that the industry for the time being is only aware of the regulatory function of a QI and does not see the importance of the voluntary standard setting function, with the first not supporting innovation and creativity at all.

Individual stakeholders of QI are active; nevertheless their collaboration is poor. Awareness of QI is not so high not only in industries but also in stakeholder organisations of QI. Most are not aware of the necessity and effectiveness of the collaboration in establishing and operating QI.

This clearly shows the high relevance and validity of project objectives of the project from an international point of view. However, it should also be noted that obviously the industry and esp. the SME sector in the Philippines is thus not aware of the need and advantages of a fully functioning, independent QI.

Effectiveness

The project objective has been defined as “The functional concept of the Philippine quality infrastructure is designed, and efficient and demand-oriented services are offered in the field of metrology and accreditation.” The following indicators were defined to measure the achievement of the objective:

- 1. A draft of a quality law which defines the tasks and responsibilities in accordance with international conventions has been elaborated in a participatory manner.
- 2.1 5 laboratories of the national metrology laboratory have proved their competence for different measurands by way of accreditation or re-accreditation according to international provisions (initial value = 3).
- 2.2 The Philippines has achieved internationally registered entries of its measurement capabilities (at least 3 entries in BIPM's CMC database; initial value = 0).

- 3.1 The national accreditation body maintains its independence, which was attested by means of peer evaluations, as required by the APLAC MRA.
- 3.2 The number of accredited bodies has increased by at least 20% in all fields with the initial values (April 2011) being
    - Testing laboratories: 152
    - Calibration laboratories: 18
    - Conformity assessment bodies: 9
    - Inspection bodies: 1

Clearly, indicator 1 (“A draft of a quality law which defines the tasks and responsibilities in accordance with international conventions has been elaborated in a participatory manner.”) could not be achieved. However, the indicator seems to be by far too optimistic to be realistic. Even when assuming that “a jointly developed vision/concept, which defines the tasks and responsibilities in accordance with international conventions”, is meant by the indicator, this has not been achieved thus far, as PhilMSTQ Inc. as the organisation to support the development and bring together all stakeholders first had to be strengthened. With regard to this it can be mentioned, that the project has launched a study of the EU on NQI and has started to analyse relevant laws and regulations regarding the development of a QI law.

Indicator 2.1 has fully been achieved as NML has achieved accreditation and/or re-accreditation in measurands such as temperature, an extended scope for mass, pressure and electricity. It should, however, also be mentioned that the decision for which measurands to seek accreditation has not been based on a demand analysis and that the accreditation could only be achieved with financial assistance from PTB for the accreditation itself. This leaves the question open, whether NML will be able to re-accredit in later years without the financial support of PTB.

Indicators 2.2 (“The Philippines has achieved internationally registered entries of its measurement capabilities”) has not been achieved. However - as has been stated already - the indicator could not have been achieved from the very beginning of the project, as the international registration of measurement capabilities normally takes longer than three years and thus the entire project implementation period. The same holds true in the opposite manner for indicator 3.1 (“The national accreditation body maintains its independence, which was attested by means of peer evaluations, as required by the APLAC MRA.”), which has been achieved automatically as no peer-review was pending for four years and PAO is thus automatically still attested independent. Finally, indicator 3.2 was fully achieved.

Development Policy Impacts

“A functioning QI system not only supports the access to international markets but is also an important pillar in good governance as it supports consumer protection, occupational health and safety as well as environmental protection.” This holds fully true. However, it has to be stated that the project did not work on the systems level of QI in a way that really supported the impact. Although project objectives are partly achieved, the anticipated impact could not be achieved in the planned way.

On the positive side, it can be mentioned that the project clearly created a greater awareness amongst stakeholders for the importance of a functioning QI and that communication between some of the main stakeholders has improved based on the cooperation of and within PhilMSTQ Inc.. In addition, NML is clearly more independent and more visible, offering more services to the industry and secondary laboratories and receives more recognition and support by ITDI. The number of traceable calibration certificates through NML has increased as well and PhilMSTQ Inc. is strengthened.

Although the last mentioned results are not really on the impact level as per definition, these seem to be of importance for the future impact as they lay the foundation (and can thus be regarded as an investment into future) for the development of a Philippine QI.

Efficiency

The efficiency of the project can only be rated as remarkable and a best practice case for many other projects worldwide. The project was able to achieve the results without an own project infrastructure (office, cars, drivers) and long-term expert. In many cases, regional resources have been used for short-term expertise, training and study visits. The team of evaluators does not see any way in implementing the activities implemented in a more cost efficient way.

Although not all results have fully been achieved and given the fact that the objective was defined too optimistic the balance between project input and output is remarkably positive.

Sustainability

The high ownership of PhilMSTQ Inc. and the immense engagement of members and staff are a very positive indication for sustainability, however, should the project end as planned with no follow-up project to come, the sustainability of the achieved would be doubtful due to financial constraints of the organisation as well as the limited number of professional experts within the organisation.

Other relevant questions/problems

The project has been monitored quite closely with regard to activities and cost efficiency, however impact-oriented monitoring has not taken place in a systematic way and could thus be improved in future to contribute to project steering, annual planning and implementation.

As has been mentioned already the impact chain seems to be logic, however was not always used to steer project activities and to ensure that these contribute to the objective and the development of a QI system.

The emphasis of the project sets priority on the economic dimension (“competitiveness of SME” in the global market) of sustainable development. The social and environmental aspects play only a minor role, have not been explicitly highlighted, but are implicitly embedded in the project concept.” However, the project certainly has a positive impact on these two dimensions as well. A fully developed QI will contribute to consumer healthcare and consumer protection and thus the social dimension. The same holds true for environmental protection based on standards and technical regulations.

Recommendations

1. The current project phase is planned until December 2013, however the project management indicated that it is very likely to be extended until mid of 2014 on a cost-neutral basis as financial resources are still available. For the running project it is recommended to:
   - Increase the effort to support PhilMSTQ Inc. to include all major stakeholders in their work such as BPS, PAO and NML and to facilitate a process that brings these stakeholders from a pure communication to cooperation and coordination;
   - Finalise the work with NML (measurands) as far as a possible;
   - Support PAO in keeping its peer-reviewed independence;
   - Prepare for the follow-up project (see below) esp. including all stakeholders in the planning as well as other relevant projects (e.g. TRTA III of EU).

2. It is highly recommended to plan for a follow-up project with duration of at least three additional years with a financial volume comparable to the one of this project (€800,000 to €1 million). The following general approach and recommendations apply:
   - The project should start with a focus on the joint development of a realistic model of Philippine NQI according to international best practices. Based on this model (vision) a joint road-map for implementation should be agreed upon with all

stakeholders of a functioning QI (in this case at least PAO, BPS, NML, PhilMSTQ Inc.) that also serves as project implementation strategy.

- The project (also via PhilMSTQ Inc.) should also include industry to a higher extent in order to base the development of a QI on the demand of the industry and follow a bottom-up approach in advocating for such a system. This would include demand analysis, priorities based on the demand e.g. for NML - development of roadmap for QI.
- It seems to be of foremost importance to increase cooperation amongst stakeholders (possibly via PhilMSTQ Inc. or any other “platform”) esp. with industry and between NQI players such as PAO, BPS and NML.
- It is recommended to establish best practices/worst cases/case studies for persuasion for a functioning QI in special sectors or for special value chain and document these for easy understanding and persuasion/awareness raising and to answer stakeholders’ question: “What is in it for me?”
- The sustainability of PhilMSTQ Inc. should be ensured by e.g. developing a business model (assisting PhilMSTQ Inc. in developing one) that ensures strategic and financial sustainability.
- It is highly recommended to identify possibilities to increase direct communication between partners and to ensure that such communication does not go via the project only. PhilMSTQ Inc. could play a major role in this effort, however any other “platform” might also be of interest in case stakeholders regard PhilMSTQ Inc. as too closely related to PTB and the project (in this case PhilMSTQ Inc. should be included as one of the platform partners or as facilitator).

3. During the final evaluation workshop with all stakeholders these defined a possible project objective for a follow-up project as “Main stakeholders of NQI in the Philippines actively support the setup of a demand-driven and robust NQI based on international best practices and key services for quality assurance/improvement are offered by NQI player”. With this project objective stakeholders of NQI include e.g. industry, regulators, academia, policy makers, QI components, advocates. It focuses on the system development as joint effort of all stakeholders and on the fact that the QI serves the industry and thus the demand. Possible Result Areas would thus be defined as:
   - The NML/STD sustainably offer demand driven services and are driving forces of a NQI in the Philippines;

- Philippines Accreditation Office (PAO) sustainably offers demand driven internationally recognized accreditation services as part of the Philippine NQI;
- PhilMSTQ Inc. is sustainably established as an advocacy group for the development and setup of a Philippine NQI based on international best practices;
- Best practice cases piloted the establishment of a NQI in the Philippines.

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Responsible
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evaluierung-9.3@ptb.de
www.evaluierung.ptb.de