



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 27-Mar-2019 | Report No: PIDISDSA26211

**BASIC INFORMATION****A. Basic Project Data**

Country Philippines	Project ID P169637	Project Name Social Welfare Development and Reform Project II Additional Financing	Parent Project ID (if any) P153744
Parent Project Name Philippines Social Welfare Development and Reform Project II	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 01-Apr-2019	Estimated Board Date 30-May-2019
Practice Area (Lead) Social Protection & Labor	Financing Instrument Investment Project Financing	Borrower(s) Department of Finance	Implementing Agency DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

Proposed Development Objective(s) Parent

The PDO is to support the National Program Support for Social Protection of DSWD to improve the use of health and education services of poor children.

Proposed Development Objective(s) Additional Financing

To support the conditional cash transfer program of DSWD to improve the use of health and education services for poor children

Components

Support to the Pantawid Pamilya
Strengthening of CCT Implementation and Monitoring and Evaluation

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	3,440.00
Total Financing	3,440.00
of which IBRD/IDA	300.00
Financing Gap	0.00

**DETAILS****World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	300.00
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Non-World Bank Group Financing

Counterpart Funding	3,140.00
Borrower/Recipient	3,140.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

Inclusive growth and poverty reduction remain at the center of the Philippine development agenda. The Philippines Development Plan (PDP 2017-2022), launched in June 2017, reflects a heightened ambition to lift roughly six million Filipinos from poverty and to achieve upper middle-income status by 2022. The Government is aiming to leverage the solid position of the Philippine economy (growing at more than 6 percent per year over the last decade) to scale up public investment for poverty reduction, job creation and economic growth, and to accelerate poverty reduction, which has had less impressive performance. Similarly, other development outcomes will need to show more rapid progress to achieve this middle-income status ambition. This includes reducing the extent of malnutrition (one-third of children under 5 are stunted), increasing enrollment and reducing dropout rates in senior high school (around 25 percent of the youth are not-studying, not-working, or nor in training, NEETs), and improving the overall quality of health and education. These are, according to the World Bank Human Capital Index 2018, the main factors to holding back the Philippines from achieving higher human development outcomes. According with this measure, a child born in the Philippines today will be 55 percent as productive when she grows up as she could be if she enjoyed complete education and full health.

The Philippines Poverty Assessment launched in early 2018 highlights that over the period 2006-2012, poverty in the Philippines remained stagnant at 25 percent, despite impressive economic growth in the period. However, between 2012 and 2015 it fell to 21.6 percent, and in addition to the improvements in labor incomes, an



important factor contributing to this reduction was government transfers to the poor (explaining one quarter of the poverty reduction).

ocial and Institutional Context

In particular, since 2008, the Pantawid Pamilya conditional cash transfer (CCT) program, executed by the Department of Social Welfare and Development (DSWD), has played a critical role in poverty reduction (by an estimated 1.5 percentage points per year according with 2015 data), expanding coverage to reach 4.4 million households, (around 20 percent of the country's population), and providing benefits averaging 10 percent of income of the poor. Three rounds of impact evaluations of the program (the latest, in 2018) have confirmed its continued impact in closing income gaps in school enrollment and use of essential health services. The Pantawid program also includes the Modified Conditional Cash Transfer (MCCT), which targets victims of natural and man-made disaster rendered homeless and with no means of livelihood, homeless street families and Indigenous People in geographically isolated and disadvantaged areas.

The Philippines has also undertaken significant steps to build its social protection system and it currently features a much improved—better designed, coordinated and implemented, and more efficient and effective—suite of social protection programs than it had a decade ago. Since 2010, the social protection system also became increasingly more sophisticated, with the country expanding its social pension program, providing livelihood opportunities to the poor, food and other subsidies to compensate for higher inflation. While effective coverage gaps still exist in contributory and noncontributory programs, and the expansion of the social security system and labor market regulation and policies have been constrained by the structure of the economy with predominant informal jobs, at least most programs are designed to reach and prioritize the poorest and vulnerable populations.

In effect, the National Household Targeting System (Listahanan) has become a backbone of the Philippines Government poverty reduction programs. The system was established in 2007 as the National Household Targeting System for Poverty Reduction. Its purpose was to serve as a basis to identify poor households with children to benefit from the Pantawid CCT. Previously, a wide set of government agencies used to implement their own social assistance programs, employing their own methods of identifying beneficiaries. Without an effective mechanism to identify the target population, the effectiveness of social assistance programs in the Philippines was compromised. Over 2009/10, DSWD undertook a major household data collection, resulting in Listahanan containing information on almost 11 million households (60% of the population in the Philippines). In 2010, with Executive Order 867, Listahanan was formally adopted as the Government's targeting database of poor households. This meant that all nationally implemented programs, including the country's core social assistance programs, the Pantawid Pamilya and Universal Health Care, were to use Listahanan to identify potential beneficiaries (provided that they meet program specific eligibility criteria). Listahanan was updated in 2015, extending coverage to 15 million households (75% of the population), and its due for a new update in 2019. Since its public launch, a growing number of agencies and programs, both national- and local government-initiated (more than 1,000), have come to recognize its usefulness and precision in identifying poor families in the community. DSWD also uses it to plan relief operations and deliver emergency assistance to families affected by natural disasters. The database is also used by development partners, and academic institutions to advance research on poverty and assess effectiveness of government programs in reaching the poor.

Similarly, significant policy and institutional changes have taken place, including the adoption of the national framework for social protection in 2008 (which is currently being updated), and the establishment of the Social



Protection coordination mechanism (multi-agency, co-chaired by DSWD and the National Economic and Development Authority, NEDA). The Philippines social protection sector has a clear set of laws and regulations (including the recently approved CCT Law), with different actors with well-defined roles and controls in place to ensure good governance. The Department of Social Welfare and Development (DSWD), the institution leading the social protection programs in the Philippines, has also improved its human and financial resource base, with well trained staff, and a budget that increased from PHP only 5.5 billion in 2007 to PHP 107.9 billion in 2015, and PHP 141 billion in 2018.

C. Proposed Development Objective(s)

Original PDO

The PDO is to support the National Program Support for Social Protection of DSWD to improve the use of health and education services of poor children.

Current PDO

The modified PDO is to support the conditional cash transfer program of DSWD to improve the use of health and education services for poor children.

Key Results

The Additional Financing also modifies the definition and targets of some of the existing PDO Indicators and intermediate indicators. The main changes relate to change the definition from educational level to age brackets of beneficiaries (consistent with how the information is reported in the PPIS), account for “eligible” children in the households as opposed to “monitored” in education (to account also for educational status of all children in the households, beyond the allowed maximum of three grantees per household), and track as well performance with respect to indigenous groups. The Additional Financing also includes two additional intermediate indicators, tracking the most updated socio-economic status of beneficiaries based on Listahanan, and the progress in updating the PPIS. The table below summarizes the changes in the Results Framework.

D. Project Description

Component 1: Support to the Pantawid Pamilya Pilipino Program (IBRD: US\$ 300 million; Borrower: US\$ 3.12 billion).

This component continues supporting the delivery of the Pantawid Pamilya Pilipino Program to poor households with children, and the Additional Financing would finance cash transfers over an additional two-year period. The beneficiary households will continue to be selected using Listahanan, that is expected to be updated in the course of 2019. The Project will particularly track compliance of households within priority beneficiary groups. These are, first, pregnant women and children aged 0-5 years old, in order to strengthen the focus of the program towards preventing malnutrition and better contribute to early childhood development; and, second, children aged 15-18 years old, to address high dropout rates and increase high-school completion. Both are among the most pressing development challenges in the Philippines.



The annual budget for the delivery of cash transfers under the Pantawid Pamilya Program is in the order of US\$ 1.7 billion, so it is expected that the Additional Financing will cover about 9 percent of the annual budgetary amount over 2020 and 2011. The Asian Development Bank is also preparing a follow-up parallel project, expected to provide additional financing to Pantawid Pamilya cash transfers.

Component 2. Strengthening of CCT Implementation and Monitoring and Evaluation (IBRD: US\$ 0 million; Borrower: US\$ 20 million)

This component continues supporting DSWD to undertake enhancements of the CCT Program. Activities in the component will be undertaken with Government domestic financing, complemented by technical assistance from the World Bank and other development partners. It focuses on supporting the improvement of business processes, upgrade of the program's information systems, strengthened capacity for monitoring, evaluation and data analysis, enhanced payment and GRS, streamlined and improved FDS, and improved compliance verification and beneficiary data systems.

Specifically, the activities to be undertaken under this component will include:

- Upgrading the CCT PPIS.
- Support to registration of newborns through a strengthened operational and informational campaign by municipal and city links.
- Moving towards more efficient payment systems.
- Linking beneficiaries with the new PhilSys National Identification (ID) initiative.
- Upgrading the Grievance Redress Information System.
- Improving efficiency of Program conditionality monitoring through linkages of the PPIS with the Learners' Information System (LIS) of the Department of Education (DepEd), which tracks enrollment and attendance status of students and it is now updated online.
- Improving content and delivery of FDS to be more nutrition-sensitive, preventive of early school dropout (especially among boys) and support the operationalization of the FDS information system.
- Reassess design and implementation guidelines of YDS to strengthen effectiveness, particularly on improving socio-emotional skills development, and help prevent the low school retention (especially among boys).

It will also continue supporting the efforts in monitoring and evaluation (M&E) through revising the content and extent of the program spot checks, and the fourth round of impact evaluation (IE).

E. Implementation

Institutional and Implementation Arrangements

The Implementation Arrangements under the Additional Financing will remain the same as those for the Original Project. DSWD will continue to be the Agency responsible for the implementation of the Pantawid Pamilya Pilipino Program under this proposed additional financing operation. In DSWD, oversight responsibility for the CCT Program and hence for SWDRP II is the responsibility of the Executive Committee which is chaired by the Secretary. The Secretary of DSWD acts as the National Director for the Pantawid Pamilya Pilipino Program, and



its execution is under the Undersecretary for Operations, Specialized Programs Sub-Cluster (which also handles the Sustainable Livelihood Program, and the KALAH-CIDDS Program). The implementation of the Pantawid Pamilya CCT Program is governed by a comprehensive Operations Manual (OM) that defines details of the organizational structure, fiduciary arrangements, rules, roles and controls for Program implementation.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will cover the poor and vulnerable households, which includes indigenous peoples. No negative social impact is expected from the project.

G. Environmental and Social Safeguards Specialists on the Team

Maria Loreto Padua, Social Specialist

Maria Ayn Jella Villanueva Roxas, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Bank's umbrella policy due to the triggering of OP 4.10. The IPPF is the safeguards instrument for both OP4.10 and OP4.01
Performance Standards for Private Sector Activities OP/BP 4.03	No	No performance standards for private sector activities in this Project
Natural Habitats OP/BP 4.04	No	No natural habitats affected in this Project
Forests OP/BP 4.36	No	No forests affected in this Project
Pest Management OP 4.09	No	No pest management in this Project
Physical Cultural Resources OP/BP 4.11	No	No physical cultural resources in this Project
Indigenous Peoples OP/BP 4.10	Yes	Project covers indigenous peoples as grantees
Involuntary Resettlement OP/BP 4.12	No	No involuntary resettlement in this Project
Safety of Dams OP/BP 4.37	No	No dams affected in this Project
Projects on International Waterways OP/BP 7.50	No	Project not operating in international waterways
Projects in Disputed Areas OP/BP 7.60	No	Project not operating in disputed areas



KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The overall environmental and social risks of the project is deemed low, taking into consideration the nature and magnitude of its potential environmental and social risks/ impacts. The Additional Financing Project continues to not have adverse impact on the geo-physical environment, neither would it create pollution, disturb the bio-diversity and efficiency of natural resources nor affect cultural heritage. The project will not finance any infrastructure/civil works. The Additional Financing Project does not also involve land acquisition/involuntary resettlement and would not create risks associated with labor management.

The Pantawid CCT has been proven to have contributed to poverty reduction apart from achieving its direct objectives of keeping children in school and increasing health seeking behaviors. However, there are risks emanating from intermittent attempts/proposition to devolve the responsibilities for selection of the grantees as well as the management of the grants to local governments which could result to exclusion of some marginalized and vulnerable groups from isolated areas, including the indigenous people As long as Pantawid remain largely managed by the DSWD, the risks of political interventions are mitigated/minimized since DSWD has instituted various systems that are transparent, objective and accountable such as the use of the National Household Targeting System (Listahanan), the grievance redress system, spot checks and other forms of third party monitoring.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Compliance across different population groups, including marginalized groups such as indigenous peoples, continue to be high. A tailored and culturally-adapted modality for indigenous peoples in isolated areas (MCCT) explains the high performance among this group.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not applicable.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
Indigenous communities and households are among the poorest and disadvantaged groups in the Philippines, in particular in terms of human development outcomes. Therefore, Indigenous Peoples OP/BP 4.10 is triggered. No other safeguard policy is triggered.

DSWD is familiar with the World Bank's safeguard policies since it is currently implementing World Bank other projects for which safeguards policies/framework have been formulated and implemented satisfactorily. DSWD's Indigenous Peoples Policy Framework (IPPF) defines the mechanism for identifying or screening the grantees in indigenous communities; various strategies to ensure that the program elements are all IP-sensitive; various mechanisms for representation/participation of indigenous peoples at all levels of operations from national to local levels and the monitoring of the IPPF implementation. The Project has satisfactorily complied with its commitment to the IPPF of the current operations and would continue to do so under the Additional Financing. Indigenous people dimensions are embedded in all operational policies and systems; indigenous peoples' representation re ensured in various structures



from national to community level; indigenous peoples-related studies/assessments and consultations are regularly undertaken; and indigenous peoples' focal teams are organized and provided with adequate budget.

The Project has satisfactorily complied with its commitment to the IPPF, and will continue to use the same IPPF under the Additional Financing operation, as it already integrates the various lessons learned, supplemental guidelines and good innovations that have been adopted, which were drawn from the active consultation from the indigenous peoples-grantees.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Consultations with indigenous peoples regarding Pantawid Pamilya were done regularly through annual focused group discussions with indigenous peoples grantees and through the regular meetings of the program Advisory Committees at all levels (from national to municipal) wherein the National Commission on Indigenous People (NCIP) is represented or a regular member. The IPPF has been disclosed in the country and World Bank's websites since September 2015.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
08-Sep-2015	13-Sep-2015	

"In country" Disclosure

Philippines

08-Sep-2015

Comments

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank	Date of submission for disclosure
08-Sep-2015	08-Sep-2015

"In country" Disclosure

Philippines

08-Sep-2015

Comments



If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

No

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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Approved By

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