

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC471

Date ISDS Prepared/Updated: 08-Feb-2012

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Philippines	<b>Project ID:</b>	P127741
<b>Project Name:</b>	Philippines National Community Driven Development Program (P127741)		
<b>Task Team Leader:</b>	Sean Bradley		
<b>Estimated Appraisal Date:</b>	18-Mar-2013	<b>Estimated Board Date:</b>	18-Jul-2013
<b>Managing Unit:</b>	EASPS	<b>Lending Instrument:</b>	Specific Investment Loan
<b>Sector:</b>	Public administration- Other social services (50%), Rural and Inter-Urban Roads and Highways (20%), Water supply (20%), Primary education (10%)		
<b>Theme:</b>	Rural services and infrastructure (34%), Participation and civic engagement (33%), Other social development (33%)		
<b>Financing (In USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
Borrower			480.00
International Bank for Reconstruction and Development			300.00
Free-standing Single Purpose Trust Fund			0.00
Bilateral Agencies (unidentified)			50.00
Foreign Multilateral Institutions (unidentified)			50.00
Total			880.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The overall goal of this program is to reduce poverty in the poorest areas of the Philippines. The proposed project development objective (PDO) of this investment operation would be to: improve community participation in the management and governance of publicsector resources and enhance access to and utilization of basic barangay-level infrastructure and services.

### C. Project Description

The proposed NCDDP will draw on the successful experiences of the Government's various CDD programs, particularly the KALAHI-CIDSS program managed by DSWD. Since 2003 (through to the end of 2010), this program has invested over Php. 5.3 billion (US\$118 million equivalent) in 5,326 community sub-projects for roads, water systems, schools, health stations, day cares, etc., in 4,229 barangays in the poorest provinces and municipalities in the country. As noted previously, the end-of-project impact evaluation showed improvements in measures of household income, access to basic services, and local level trust and governance. Separate evaluations of the project have also shown that overall sub-project investments yield an average economic internal rate of return of 21 percent, and that unit costs are between 8 and 76 percent lower than similar public sector works, depending on the type of sub-project.

The NCDDP would build on the core elements of KALAHI-CIDSS and similar CDD operations in the country. The principal components and estimated levels of Bank financing, which would be confirmed during project preparation, are presented below.  
Component 1: Community mobilization and leadership for local investments (estimated US\$ 250 million IBRD). This component would support the training and facilitation for the four-stage cycle of activities that empowers communities to analyze and prioritize local level development needs; and to identify and plan, appraise and approve, and manage the implementation of sub-projects. The component would help establish or strengthen the barangay assembly as a fora for community-LGU engagement. The component would also finance at least four-rounds of block-grants to rural barangays (based on population and possibly poverty incidence level) in support of basic social and economic investments and services.

Component 2: Local capacity building and implementation support (estimated US\$ 20 million IBRD). This component would standardize and institutionalize training for CDD in the country, possibly through the support of a training institute. The component would target municipal and provincial LGU staff to support and oversee the participatory assessments, planning and sub-project implementation of community infrastructure; to ensure quality of infrastructure investments and the integrity of resource management; and for national government agencies (NGAs) at sub-national level to enhance their participation in the NCDDP. The component would also support the integration of the CDD within existing structures, systems and procedures of the LGUs through training and other forms of capacity building.

Component 3: Strengthening national institutional support for CDD (estimated US\$ 5 million IBRD). This component would support analysis and implementation of efforts to enhance the use of CDD across sectors as a core poverty reduction measure, to remove systematic obstacles to integrating CDD implementation modalities within different sectoral departments and LGUs, and develop policies and incentives that would help to

harmonize the approach and sustain it over time (including resource mobilization). Support would be provided to specific sectoral department units that are most directly involved in the facilitation and technical support of basic services (possible through CDD focal points/units). Assistance could also be provided to the departments of Interior and Local Government, of Treasury, of Budget and Management, and to the National Anti-Poverty Commission to adapt LGU performance measures and fiscal transfer processes, and to enhance monitoring and evaluating of the poverty impacts of the program.

Component 4: Program management support (estimated US\$ 25 million IBRD) to support the oversight, coordination and overall management of the program from national and regional levels, to monitor and evaluate outcomes and impact, to support third-party monitoring of program elements, and to oversee and evaluate pilot testing of additional features and concepts under the program.

While building on the successes of earlier CDD operations in the country, the NCDDP will also support a significant evolution in the approach through four important enhancements: (i) strengthening the direct role and responsibility of LGUs in program implementation and supporting efforts to improve their performance by linking program resources to governance indicators under the Department of Interior and Local Government's "Seal of Good Housekeeping" and "Performance Challenge Fund"; (ii) better integration with and leveraging resources from other line agencies to increase and improve the delivery of basic services; (iii) strengthening vertical linkages between barangays, municipalities and provinces and closer integration with existing government systems (planning, fiduciary, reporting, etc.); and (iv) adapting procedures to the special conditions found in conflict-affected regions, areas more prone to disasters, and with large indigenous populations.

The NCDDP would also seek to enhance efficiencies by rationalizing different CDD operations (e.g., further streamlining support and procedures of CDD components of, for instance, the Mindanao Trust Fund or the ARMM Social Fund, with those of the NCDDP). Lastly, the program would seek better integration (or convergence in the national parlance) with on-going anti-poverty efforts of DSWD; specifically the Pantawid Pamilyang (4P's) and the Self-Employment Assistance-Kaunlaran (SEA-K) programs. This would also apply to other sector programs such as the School-based Management program of the Department of Education, or the Community Based Resource Management program of the Department of Environment and Natural Resources.

Given the complexities of these enhancements, as well as the sizeable scale-up intended, the program would involve a transitional phase that would support the process of moving from the current project structures and procedures of KALAH-CIDSS to one that is more embedded in the existing structures of local and national government agencies. While some of the changes are reasonably well understood and would be guided by existing efforts and knowledge (like the shift from DSWD to MLGU-led management of the process at the municipal level), others are less so (like how the NCDDP would support and enhance existing community-based sectoral approaches). Therefore, it is estimated that this transitional phase would take approximately three years during which time systems would be established and pilot initiatives undertaken to inform and support a new program approach and management structure.

Shifting CDD from a project to a program that can effectively promote better local governance, ensure integration of CDD efforts within LGU planning and budgeting processes, and engage national line agencies through a single platform will take many years to achieve. The NCDDP will help move the program in that direction, but final achievement of these goals is likely to require a longer-term commitment beyond the program and the loan for this operation. Nonetheless, the Bank's support would help to promote this vision and outcome over the long-term.

It is proposed that the program cover all of the rural municipalities in the country that have a poverty incidence above the current national average of 32 percent (currently estimated at 965). Based on the results of the impact evaluation of KALAH-CIDSS, it is also proposed that a minimum per capita investment of US\$6 per sub-project funding cycle be applied and that the program include at least four cycles. These basic parameters suggest a program that would cost approximately US\$880 million for five years, but which could range up to US\$1.1 billion if additional per capita financing is provided for poorer municipalities. Significant co-financing for the proposed operation would be sought from the Government's development partners (particularly AusAID and ADB) and the national budget.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The program would cover all of the estimated 965 rural municipalities in the country that have a poverty incidence above the current national average of 32 percent.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

Overall, DSWD is considered a high-capacity agency with significant experience managing World Bank operations, and which has satisfactorily implemented the KALAH-CIDSS program since 2003. Moreover, the department received generally positive outcomes on a recent Integrity Development Review and routinely ranks as the cleanest agency in corruption perception surveys. In terms of capacity to implement safeguards requirements, DSWD will be using the same safeguards team of the KALAH-CIDSS project in this new project. They have one person each, in charge of environmental safeguards and social safeguards. These persons have been trained in the implementation of the KALAH-CIDSS project and in several safeguards forum organized by the local Manila office.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Roberto B. Tordecilla (EASPS)

Gerardo F. Parco (EASPS)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	This CDD project is expected to finance community infrastructure sub-projects such as health centers, classrooms, day care centers etc. The potential impact of any subproject will depend on the nature, location and specific characteristics of the investment. In most cases, adverse environmental impacts of such projects are expected to be temporary, site-specific, reversible and limited to the construction phase. They include typical construction related impacts such as,

		noise and dust during construction, small-scale vegetation loss, and temporary and intermittent elevated noise levels. Potential adverse impacts would be easily mitigated through a combination of a negative list of inappropriate types or locations of sub-projects, sub-project specific Environmental Management Plan (EMP) and technical guidance on appropriate construction designs and practices. The EIA Guidelines currently used in the KALAH-CIDDS project, which has been recently revised and updated by the DSWD, would be applied under the NCDDP and would serve to identify potential negative impacts and relevant mitigating measures. For sub-projects that involve the construction/rehabilitation of health care facilities, the subproject safeguard instruments will include procedures and measures for proper handling of solid and liquid medical waste.
Natural Habitats OP/BP 4.04	No	Because of the small scale nature of the community infrastructure done under this project, there would likely be no impact on natural habitats.
Forests OP/BP 4.36	No	Because of the small scale nature of the community infrastructure done under this project, there would likely be no impact on forests.
Pest Management OP 4.09	TBD	The policy may be triggered in case of sub-projects that involve the rehabilitation/expansion of irrigation facilities (50 such small-scale sub-projects were executed under KALAH-CIDSS) and in turn induce an increase in pesticides use. If this is the case, simple Pest Management Plan(s) (PMPs) will be prepared for irrigation sub-projects by building upon the existing national agricultural guidelines/regulations. The PMP(s) could be prepared for all irrigation sub-projects, or for those which are in the same geographical region if the domestic regulations related with pesticide use vary across the country.
Physical Cultural Resources OP/BP 4.11	No	Since the construction of some community infrastructure such as school buildings or day care centers would require excavation for foundations, a "Chance Find Procedure" will be included as part of all works contracts.
Indigenous Peoples OP/BP 4.10	Yes	An enhanced Indigenous Peoples Policy Framework (IPPF) will be prepared based on the existing IPPF for KALAH-CIDDS prior to appraisal. The preparation of the enhanced IPPF will be informed by a Social Assessment (SA) that is carried out by following the guidelines in OP4.10. Specifically, the SA will include (a) an assessment of the experiences and lessons learned with implementing the IPPF for KALAH-CIDDS, and (b) documentation of consultations with local communities and IP organizations that have been involved with, or observed, the implementation of the KALAH-CIDSS project. Both the SA and the draft IPPF will be disclosed to relevant IP organizations and the National Commission on Indigenous Peoples (NCIP). The IPPF will include requirements on the mechanisms for participation and representation of IPs in all phases of the community-driven development program; documentation/preparation and implementation of sub-projects, social analysis, and free, prior and informed consultations leading to broad community support that are proportional to the scale of potential impacts on IP communities. For any sub-projects that are in areas with IP communities, an Indigenous Peoples Plan (IPP) will need to be prepared following the guidance of the IPPF. In addition, the incorporation of considerations for IP communities in project design (as proposed in PCN) by providing special windows will also be informed by the SA and consultations with key stakeholders.
Involuntary Resettlement OP/BP 4.12	Yes	Based on the experiences in KALAH-CIDSS implementation, no involuntary physical relocation is anticipated under the project. However, some sub-projects may require the acquisition of land, although it is not yet known if this will be through voluntary means, open market sale, or involuntary taking of land. Only in the case of involuntary taking of land would the policy be triggered. To comply with the requirements for an RPF as per OP4.12, an enhanced "Land Acquisition, Resettlement Policy (LARP) Framework" will be prepared based on the existing LARP framework for the KALAH-CIDDS project. The preparation of this enhanced LARP Framework for the project will be informed by an assessment of the experiences and lessons learned through the implementation of the existing LARP framework for KALAH-CIDSS, as well as through public disclosure and consultations with local communities and civil society organizations that have been involved in the implementation of the KALAH-CIDSS project. For cases where involuntary land acquisition may be necessary, the subproject would need to develop a Resettlement Action Plan (RAP) or Abbreviated RAP based on the LARP Framework. For any other cases where land is required but done through voluntary means, a procedure and form for documenting the process of donation or voluntary transfer of the land, including full community and owner consent, needs to be prepared and included in the operations manual for this project as provided for in the enhanced LARP Framework.

Safety of Dams OP/BP 4.37	No	The project will not be financing any large dams.
Projects on International Waterways OP/BP 7.50	No	Not applicable
Projects in Disputed Areas OP/BP 7.60	No	Not applicable

### III. SAFEGUARD PREPARATION PLAN

- A. Tentative target date for preparing the PAD Stage ISDS:** 30-Dec-2012
- B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**  
January 2013.

### IV. APPROVALS

Task Team Leader:	Name: Sean Bradley	
<b>Approved By:</b>		
Regional Safeguards Coordinator:	Name: John R. Butler (RSA)	Date: 24-Apr-2012
Sector Manager:	Name: Mark C. Woodward (SM)	Date: 13-Feb-2012

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.