

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC12389

**Date ISDS Prepared/Updated:** 16-Mar-2015

**Date ISDS Approved/Disclosed:** 23-Mar-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Philippines	<b>Project ID:</b>	P153744
<b>Project Name:</b>	Philippines Social Welfare Development and Reform Project II (P153744)		
<b>Task Team Leader(s):</b>	Pablo Ariel Acosta,Aleksandra Posarac		
<b>Estimated Appraisal Date:</b>	18-May-2015	<b>Estimated Board Date:</b>	18-Sep-2015
<b>Managing Unit:</b>	GSPDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Other social services (60%), General education sector (20%), Health (20%)		
<b>Theme(s):</b>	Social Safety Nets/Social Assistance & Social Care Services (40%), Education for all (20%), Child health (20%), Other social protection and risk management (20%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	450.00	<b>Total Bank Financing:</b>	450.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
International Bank for Reconstruction and Development			450.00
Total			450.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

#### B. Project Objectives

To support DSWD in the effective delivery of the national conditional cash transfer (CCT) and livelihood programs to: a) incentivize the use of health and education services by poor children; and b) increase employability prospects of CCT beneficiaries.

#### C. Project Description

## 1. Description

The project comprises four components:

Component 1: Support to the Pantawid Pamilya CCT Program (Tentative allocation: US\$ 350 million).

The objective of this component is to support effective implementation of the conditional cash transfer program (CCT – Pantawid) to poor children 0-18 years of age across the Philippines. The Pantawid is a CCT program aimed at addressing the intergenerational transmission of poverty in the Philippines by supporting improved health and education outcomes of poor children and pregnant women. The Pantawid provides cash grants to poor households subject to their meeting certain conditions in health and education. The beneficiary households are chosen using the National Household Targeting System for Poverty Reduction (NHTS-PR) or Listahanan.

This component will have two subcomponents: (i) CCT Grants, and (ii) Implementation Support for Pantawid, to support the National Project Management Office (NPMO-Pantawid) in its continuous efforts to enhance implementation of the CCT, including through an integrated Management Information System for the Pantawid business processes and within DSWD enterprise data warehousing and management system, strengthened capacity for monitoring, evaluation and data analysis, enhanced payment and GRS, streamlined and improved family and youth development sessions, and faster compliance verification and beneficiary data systems.

### 1.1. Pantawid Grants (Tentative allocation: US\$ 345 million)

This subcomponent will continue financing health and education grants of the Pantawid beneficiaries nationwide over the period of four years, starting from the date of project effectiveness. The beneficiary households are and should continue to be selected using the National Household Targeting System for Poverty Reduction – Listahanan – that follows a standardized targeting mechanism with rigorous quality control process. The transfers are delivered by DSWD to poor and eligible households with children 0-18 years old nationwide. Selected households receive the cash transfers for up to 3 children, subject to meeting eligibility criteria and the compliance with the health and education related conditions.

Poor households with children 0-18 years old and/or pregnant women are eligible for a health transfer currently set at PhP 500 (~US\$11) per household per month (for a period of 12 months/year) regardless of the number of children 0-18 years old. The health transfer requires that households fulfill the following conditions: (i) all children 0-5 years old should visit the health center or rural health unit to get the services established by DOH according to their age, including growth monitoring and immunization; (ii) pregnant women must attend the health centers or rural health unit for pre-natal and post-natal care, according to DOH protocol; (iii) all children 6-14 years old in primary school should comply with the de-worming protocol at schools (2 pills per year); and (iv) for households with children 0 to 18 years old the household grantee (mother) and /or spouse shall attend family development sessions at least once a month.

Poor households with children 3-18 years old are eligible for education grant. Up to three children can receive the grant. Children receiving grants are required to attend classes 85% of the time. For children enrolled in day care or elementary education, the current grant amount is PhP 300 (~US\$6)

per child per month (for a period of 10 months/year). For children enrolled in secondary education the grant amount is currently set up at PhP 500 (~US\$ 11) per month for 10 months/year). Secondary education grantees are also expected to attend youth development sessions. The same rules apply to children enrolled in the Alternative Learning System and Alternative Delivery Mode of elementary and secondary education services.

The proposed project will support DSWD in the revision of the parameters of the CCT program drawing lessons from implementation and evaluations. One of the key emerging issues is the decline in the real purchasing power of the CCT grants. The amounts have not been changed since the program was introduced in 2007/8 and the grants real value has dropped by about 40 percent since then. The result is that the share of the CCT grants in household income has dropped from 23 percent in 2008 to about 11 percent in 2013. This drop may affect adversely the incentives of households to participate in the program and thus undermine the achievement of its objectives. While during the last four years the focus of the Government has been to expand the CCT program to all poor eligible households, going forward and taking into account the availability of Listahanan 2 (updated National Household Targeting System) data later this year, the Government is examining options to increase the value of the grants to keep pace with inflation. Another option could be to keep the level of the health and the elementary school grants approximately the same, while significantly increasing the grants for children in secondary education, differentiating by each grade (to include both direct and opportunity cost of secondary education) and by gender (higher for boys than girls, as boys tend to drop out much more, than girls). Another important aspect for potential revision concerns the number and the choice of children to be monitored under the CCT, since there are arguments for lifting the cap, or stipulating the grants availability to the first three children in a family, to avoid the situation where families opt for the youngest children to maximize the duration of the grants.

#### 1.2. Implementation Support for Pantawid (Tentative allocation: US\$ 5 million)

The Pantawid is implemented by a National Project Management Office (NPMO-Pantawid), which is situated within the structure of DSWD. As shown in other CCT programs around the world, a key to the CCT program success is a strong, dedicated, and well-resourced organizational structure, which is capable of implementing all key activities of the program cycle efficiently and effectively. These include: registration of eligible families, verification of eligibility, keeping the beneficiary data information up to date, verification of compliance with conditions, managing payments, delivering family development sessions, organizing assemblies of grantees and mobilizing parent leaders, implementing a GRS, undertaking monitoring and evaluation and maintaining an MIS system that supports all these operation activities. DSWD has put in place solid implementation architecture, with about 11,000 strong staff across the Philippines, serving 4.4 million beneficiary households. Continued effort is required to properly maintain and continue to develop and strengthen systems for registration, verification, client data updates, payment, grievance acceptance and resolution and monitoring, and evaluation activities.

This subcomponent would thus support the following activities: (i) enhancing business processes and systems, including: client registration, verification and information updates; compliance verification; payment; and GRS; (ii) strengthening policy analysis and monitoring and evaluation capacity, including implementation of one round of the CCT program impact evaluation and annual CCT program implementation spot checks; (iii) improving capacity to deliver CCT program in the implementation challenging areas, such as Autonomous Region of Muslim Mindanao (ARMM), areas populated by indigenous people and geographically isolated areas; (iv) integrating automated data/ information flow and management across the CCT implementation cycle and across the CCT

implementation units, as well as with other parts of DSWD enterprise data management system; (v) further developing strategic communications on the CCT program and capacity to deliver them, as well strengthening of the beneficiary feedback mechanism; and (vi) further developing the content and improving delivery of family and youth development sessions.

To deliver these activities, the project will finance: expert services, knowledge transfer, training, and software development and ICT.

Component 2: Increasing Employability Prospects of CCT Beneficiaries (Tentative allocation: US\$ 80 million)

The objective of this component is to improve the opportunities for a successful school-to-work transition of the high-school Pantawid graduates and other CCT beneficiaries through an integrated package of labor market orientation, life skills, and certified technical and vocational training under the umbrella SLP of the DSWD.

With evidence that the Pantawid CCT continues to have positive impacts on the expected health and education outcomes, the challenge now is towards a new phase to facilitate their productive inclusion in the labor market. Among such facilitations include providing opportunities to obtain vocational skills and technical training programs with certification, employment services, and entrepreneurship support programs. International evidence (Mexico, Colombia) shows that providing skill trainings to unemployed or underemployed youth, including former CCT beneficiaries, can increase significantly the probability of finding jobs.

In that sense, DSWD's SLP Program, implemented since 2011, aims to provide income-generating opportunities and employment to identified poor families through the two tracks of the program: (a) Microenterprise Development (including SEA-K capital seed fund, technical-vocational skills training for microenterprise, cash for livelihood assets, and commodity cluster model), and (b) Employment Facilitation (Technical-vocational skills training for employment in accredited institutions at the Technical Education and Skills Development Authority (TESDA), and pre-employment assistance funds to cover documentary requirements). Through these, the socio-economic benefits gained by beneficiaries are sought to be sustained and enhanced even beyond the period of providing cash grants. As of today, the large majority of SLP interventions are through the Microenterprise Development track.

SLP is implemented by DSWD's Project Development Officers operating at the Barangay level, and currently benefits Pantawid CCT beneficiaries, other non-Pantawid poor (as identified by Listahanan targeting instrument), disabled, senior citizens, and disaster-affected population. Participants are selected by PDOs and validated at the Community Core Group composed of local DSWD officials (PDO, Pantawid Municipal Links, CDD implementers) and civil society actors. For the case of Pantawid beneficiaries, these are identified at the mandatory monthly family development sessions and referred to the PDOs by the Municipal Links.

#### 2.1. SLP Training Grants (Tentative allocation: US\$ 75 million)

The Project will seek to expand and strengthen the Employment Facilitation track among selected Pantawid CCT beneficiaries with complete high-school education; i.e., those exiting the Program. It is estimated that approximately 25,000 Pantawid beneficiaries will graduate from high-school in 2015. There is concern, however, on which type of support would be appropriate for graduating

beneficiaries as the existing active SLP programs that support them have issues on efficacy and sustainability. For that, a new modality within SLP is proposed, containing the following features: a) career counseling; b) life skills module; c) technical-vocational training; d) stipend allowance and graduation and certification bonuses; and e) job placement assistance. The design of the appropriate package of intervention and costing per trained participant will be determined during Project preparation, but is expected that SLP would contract a package of services through TESDA-accredited institutions (TVIs) for its delivery, and liaise with the Department of Labor (DOLE)'s local employment offices for job placement support. The final package design will draw lessons from existing and discontinued training interventions within SLP, including the Cash-for-Training Program for self-employed Pantawid beneficiaries implemented only in 2013 in TESDA facilities, and other existing apprenticeship programs for non-Pantawid high-school graduates.

## 2.2. Implementation Support for SLP (Tentative allocation: US\$ 5 million)

The Project will also seek to strengthen the implementation of SLP interventions, which requires a revision of the participant profiling (targeting) and referral mechanism. Both aspects are critical to maximize the chances of a successful labor market entry of participants, and could be done by using several information sources (Listahanan, the new Social Welfare and Development Indicators, high-school grades, family and youth development sessions) and interviews. This will require personnel appropriately trained and fully dedicated to this task. SLP also needs to strengthen its monitoring and evaluation system to track participants before, during, and after training interventions, to report job placement indicators and profiles that would feed the selection process. For that, it will be also important to enhance the SLP IT system to systematically link trained CCT beneficiaries to employment opportunities. For the proposed Employment Facilitation package for Pantawid high-school beneficiaries, a process and an impact evaluation would provide guidance for adjustments before scaling-up coverage. An assessment to identify the most cost-effective mix of SLP modalities or those that have highest impact for productive inclusion and sustainable development is also needed. Regular spot checks and qualitative surveys would need to be performed, as well as the setup of a GRS module, and a communications campaign. Technology and database upgrading will also be needed at central, regional, and local level.

To deliver these activities, the project will finance: expert services, knowledge transfer, training, and software development and ICT.

## Component 3: Support to the role of DSWD in disaster and emergency response (Tentative allocation: US\$ 1.5 million)

Given the country's exposure to regular natural disasters the most vulnerable suffer from frequent shocks to their incomes, well-being and consumption, disrupting development progress and keeping them in poverty. The objective of this component is to strengthen DSWD's capacity to perform its duties in the country's disaster preparedness and response.

In relation to cash transfers, DSWD has already experience in implementing temporary suspensions of Pantawid conditionality during emergency situations, and even topping-up cash transfers to existing beneficiaries. This was the case following Typhoon Yolanda, when DSWD used the Pantawid structure to rapidly deliver additional grants to affected beneficiary households. The financing for this top-up cash grant was provided through the World Food Program and UNICEF after Yolanda had struck. DSWD intends to assess the adjusted delivery modality of CCT after disaster and institutionalize this as part of the early response for victims of disasters.



In that regard, the Project would support the enhancement of the automated system that would ensure efficient collection of correct and real time data to systematize and rationalize disaster preparedness, relief and early recovery. Similarly, technical assistance is needed to properly assess the effectiveness of early recovery efforts and develop guidance on how to decide on phases of assistance: emergency response, recovery and rehabilitation and when and how to transition from one to the other. The capacity of DSWD will also be strengthened across all personnel on disaster response preparedness, and logistics, for improved planning, implementation and monitoring, and to help manage expectations of the public during disaster.

To deliver these activities, the project will finance: expert services, knowledge transfer, training, and software development and ICT.

Component 4: Support to DSWD Policy and Institutional Capacity Development (Tentative allocation: US\$ 18.5 million)

The objective of this component is to strengthen DSWD's policy and institutional capacity as leading government agency in social protection. DSWD implements programs assisting poor and vulnerable individuals, households and communities in the Philippines, covering more than 25 million people and with the 2015 budget planned at almost 2.5 billion US dollars or close to 2 percent of GDP. Efficient and effective delivery of DSWD programs requires strong policy and institutional capacity

The project will support the following: (i) analytical and advisory support for the development of the 5 year social protection development plan as part of the Philippine Development Plan; (ii) strengthening capacity of the DSWD Research, Monitoring and Evaluation Office to analyze and develop social welfare policies and programs and to perform results based monitoring and evaluation of DSWD programs; (iii) implementation of DSWD Information System Strategic Plan for an integrated information and data management system underpinning efficient and effective delivery of DSWD programs and services, including the National Household Targeting System for Poverty Reduction (Listahanan), Pantawid, KALAHY-CIDSS (National Community Driven Development Program), Sustainable Livelihood Program, and DRRM; and (iv) mainstreaming social protection at the local level, and (v) building capacity for and carrying out social marketing.

To deliver these activities, the project will finance: expert services, knowledge transfer, training, and software development and ICT.

#### **D. 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 people. No negative social impact is expected from the project.

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

The DSWD has a good track record in complying with safeguards policies as part of their more recent WB-supported projects (i.e., the first SWDRP and KALAHY-CIDSS). For the first SWDRP, the DSWD has prepared an IP Policy Framework to ensure compliance with OP/BP 4.1. Bank supervisions have consistently rated safeguards performance as satisfactory with no major issues. A summative assessment of the IPPF implementation will be undertaken for purposes of the project appraisal and as basis for preparing an updated version for the proposed SWDRP II.

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

Leonardo Jr. Batugal Paat (GENDR)

Maria Loreto Padua (GSURR)

## II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project supports activities that are community services-oriented including grants administration and management, knowledge transfers, capacity formation, expert services, and ICT. The project is not expected to support construction of physical infrastructure, civil and earth-moving works nor expected to directly promote activities that may have adverse effects on the environment.</p> <p>It is thus seen that the environmental impacts of the project are insignificant to negligible, and if at all will be localized and easily mitigated.</p> <p>However, OP 4.01 is triggered on account of the need to assess the social impacts of the project on the beneficiaries and other major stakeholders, including the Indigenous Peoples (OP 4.10). The social assessment will be undertaken as part of the project preparation to cover the various social dimensions and/or impact of the proposed project on beneficiaries and major stakeholders (including the IPs) as well as determine potential issues on gender, disability and other vulnerable groups. The social assessment will inform the project on social issues and determine measures to address these to promote social inclusion, social accountability and social safeguards.</p> <p>The Team is recommending that the project be classified as Category C. No civil works are foreseen in this project. There will be insignificant environmental impacts directly or indirectly attributed to the project.</p>
Natural Habitats OP/BP 4.04	No	The project will not support physical infrastructure and activities that may have induced impacts to critical and non-critical habitats and the biodiversity. There are no anticipated impacts on natural habitats.
Forests OP/BP 4.36	No	There will be no construction of physical infrastructure nor any other activities that are expected to lead to or promote any encroachment of

		forest or conversion of land uses. Should there be households in upland communities that will be selected, the grants and services provided to these households are seen to uplift their living conditions and ease further pressure on forest resources. The activities that will be supported by the project are thus not seen to induce deforestation and forest degradation.
Pest Management OP 4.09	No	The project will not finance the purchase of pesticides nor promote the use of pesticides. The project is not expected to result to increased usage of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The project will not support any civil nor earth-moving works. There is no foreseeable impact on Physical Cultural Resources.
Indigenous Peoples OP/BP 4.10	Yes	Indigenous communities or households remain to be among the poorest and disadvantaged areas particularly in terms of human development outcomes. Thus, while the specific target households are yet to be selected, it is likely that some of them will be indigenous peoples. An updated IPPF will be prepared by DSWD based on a summative assessment of the implementation of the IPPF during the SWDRP I implementation since 2010.
Involuntary Resettlement OP/ BP 4.12	No	The project will not finance civil works thus no land acquisition nor involuntary resettlement is expected.
Safety of Dams OP/BP 4.37	No	The project will not finance dams. The policy does not apply.
Projects on International Waterways OP/BP 7.50	No	The project is not situated in international waterways. The policy does not apply.
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-Apr-2015**

**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:**

By end of April 2015 – completion of the review of the implementation of the IPPF under SWDRP I and its implications to the proposed project. The results of the review would serve as basis for updating/enhancing the IP safeguards instruments. The assessment and preparation of the updated IPPF will involve multi-stakeholder consultations and in close partnership with the National Commission on Indigenous Peoples (NCIP) which is duly represented in the various national and sub-national PMOs of CCTP or 4Ps.

### IV. APPROVALS

<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.



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<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name:	Date:
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