

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC19080

Project Name	Philippines Cross-Sectoral Public Health Enhancement Project (P153446)
Region	EAST ASIA AND PACIFIC
Country	Philippines
Sector(s)	Health (60%), Sanitation (25%), Public administration- Health (15%)
Theme(s)	Child health (40%), Nutrition and food security (20%), Injuries and non-communicable diseases (15%), Decentralization (10%), Population and reproductive health (15%)
Lending Instrument	Investment Project Financing
Project ID	P153446
Borrower(s)	Department of Finance
Implementing Agency	Department of Budget and Management, Department of Interior and Local Government, Department of Health
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	30-Apr-2015
Date PID Approved/ Disclosed	04-May-2015
Estimated Date of Appraisal Completion	27-Jun-2016
Estimated Date of Board Approval	17-Dec-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Poverty reduction and inclusive growth are the main development priorities for the Philippines. The Philippine poverty rate has not changed significantly since 2003, at about 25 percent based on the country's official poverty line. Poverty in rural areas (39.4 percent) is significantly higher than the national average (26.5 percent) and more than three times that in urban areas (13.2 percent). Many Filipinos live just above the poverty line, cycling in and out of poverty due to high vulnerability to climatic, disaster, financial and price shocks.

The Aquino Administration's "Social Contract with the Filipino People" provides the overall policy direction in the country. The Contract focuses on transformational leadership (governance, empowering people, and delivery of health and education services), economy (inclusive growth,

competitiveness and jobs), government service, gender equality, peace and order, and the environment. These goals are reflected in the 2011-2016 Philippine Development Plan (PDP) with an overarching theme of inclusive growth. Under the PDP's strategic objective of equalizing access to development opportunities for all Filipinos, it calls for increased investment in human capital (education and health), and attaining universal health coverage (UHC) has been the principal policy focus of the Aquino administration.

Sectoral and Institutional Context

Within the UHC framework of the Government, the Department of Health (DoH) has adopted Kalasugan Pangkalahatan (literally "universal health care") as its five-year (2011-2016) operational strategy. The strategy has three "thrusts, namely enhancing financial risk protection through expansion of the National Health Insurance Program, improved access to quality hospitals and health care facilities, and attainment of the health-related MDGs.

Health insurance coverage grew rapidly in recent years from around 70% in 2010 to 90% by end of 2013. However, the rapid expansion of health insurance is yet to translate into financial protection. Contributing factors include the limited content of the insurance covered benefit package, low compliance with no balance billing and high unregulated co-payments, poor availability of supplies and medicines necessitating outside purchases, and lack of awareness of eligibility under the health insurance scheme.

Expansion of the population's entitlement to UHC coverage has not been matched with adequate expansion of the service delivery capacities in order to improve access to quality care. Health care is predominantly hospital-based. The weak primary care system is incapable of effective disease prevention, health promotion and management of communicable and non-communicable diseases. A lack of health-promoting policies and actions in non-health sectors limits the opportunities to reduce adverse impact of socio-economic determinants of health.

Progress towards the attainment of the health-related MDGs, while not necessarily "off-track" on all goals and targets, has lagged behind what was hoped, and the Philippines continues to face significant challenges with regard to the health status of its population. There are significant inequalities across provinces and socio-economic groups. The country is unlikely to achieve MDG 5 target related to reducing maternal mortality. Childhood immunization coverage is below 85% nation-wide and even lower than that among the poor. The prevalence of malnutrition among children is high (30.3% of children under five are stunted), with long-term consequences for human capital development. The fact that 10 million people lack access to proper sanitation facilities contributes to the spread of infectious disease and exacerbates the problem of malnutrition. The lackluster progress on health-related MDGs is indicative of an underinvestment in public health, i.e. basic prevention and health promotion activities, much of which is the responsibility of the Local Government Units (LGUs). Moreover, given the multiple determinants of health, making progress on public health will require multisectoral action, including investments not only in health, but also in water, sanitation and education.

Having invested a considerable amount of resources in the expansion of UHC, the Government's current priority is to make sure that these resources are used most cost-effectively. The Government has clearly conveyed to the World Bank and other development partners its strong determination to make the Philippine health care system work better for the poor by preventing avoidable diseases and promoting health. They also wish to see this done by leveraging multiple sectors, and also by

intervening at the decentralized level.

The Philippines is one of the most decentralized countries in the region where the local government units (LGUs) have full responsibility for planning and executing various sectoral programs and development projects. The Government is keen to set up the mechanisms that would enable convergence of multiple sectoral policies and programs into one comprehensive locally developed and owned plan. The Government is also seeking ways to transfer funds directly to the LGUs without passing them through the line agency budget programs.

Relationship to CAS

The proposed operation is fully aligned with the WBG's Philippines CPS FY15-18. The goals of the CPS are to promote inclusive growth, reduce poverty and support shared prosperity. The FY15-18 CPS identifies five engagement areas: EA1- transparent accountable and participatory government; EA2 – empowerment of the poor and vulnerable; EA3 – rapid inclusive and sustained economic growth; EA4 – climate, environment, disaster risk management; and EA5 – peace, institution-building, and social and economic opportunities.

The proposed operation would contribute directly to EA1 by promoting and strengthening a well-coordinated and transparent cross-sectoral planning and budgeting process at the LGU level, mobilizing additional budgetary resources and transferring them directly to the LGUs, and setting up a performance-based financing mechanism to strengthen their accountability. The project would also support EA2 by promoting the scale-up of health promotion and disease prevention services and targeting the most important public health issues including, among others, malnutrition, maternal and child health, , as well as water and sanitation.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The Project Development Objective (PDO) will be to improve the health and nutritional status of women and children by preventing, through cross-sectoral actions, the major avoidable health conditions that disproportionately affect the poor. Intermediate objectives will include: (i) improving nutrition-related maternal and child feeding and caring practices; (ii) improving the population's access to and use of safe sanitation facilities and uptake of better hygienic practices; (iii) improving the performance of primary and secondary schools in health promotion and disease prevention; and (iv) increasing childhood immunization coverage and women's access to quality maternal health services.

The PDO results will be tracked at the level of the provinces participating in the project rather than at the national level.

Key Results (From PCN)

The following key results are proposed to track the project's success in achieving its PDO:

1. Net increase in the proportion of children 0-6 months who are exclusively breastfed;
2. Net increase in the proportion of wasted children (weight-for-height < -2 z-scores) receiving nutrition interventions;
3. Net increase in the proportion of children 6-24 months receiving a minimum acceptable complementary food diet (in terms of quantity and quality)
3. Net decrease in the proportion of pregnant teenagers (<20 years old) who are anaemic (Hb <

11 g/DL).

4. Proportion of Open Defecation Free (ODF) communities
5. Proportion of schools where children practice handwashing and use safe toilet facilities;
6. Proportion of children fully immunized according to the national EPI schedule
7. Proportion of pregnant women receiving a full spectrum of services recommended by the national guidelines for antenatal care

III. Preliminary Description

Concept Description

The operation will focus on improving the health of the poor through strengthening health promotion and disease prevention. To this end it will support the scale-up of effective public health interventions at the sub-national level by transferring funds from the national directly to the LGUs. The project also intends to link financing to performance; achieve convergence of relevant national programs into locally designed and driven sub-national action plans; and facilitate their implementation through multiple sectoral channels.

The project will have the following two components:

Component 1 will support local governments to develop and implement two-year cross-sectoral health promotion and disease prevention plans focusing on the following priorities and interventions:

- (a) Child malnutrition – Social and behavioral change communication (BCC); regular child growth monitoring; household food diversification; improving access to affordable and ready-to-use products for enhancing the nutritional value of complementary food for children under age of 24 months; and identification and treatment of moderately and severely malnourished children.
- (b) Maternal and child health – upgrading birthing facilities in rural health clinics and barangay health stations so that they can meet PhilHealth accreditation requirement for the delivery of the maternity care package; ensuring availability of iron and folic acid (IFA) supplementation therapy; education of mothers on child nutrition including breast feeding;
- (c) Sanitation – BCC for hand washing; demand creation activities for stopping open defecation and safe disposal of feces through supply-side interventions by improving access to sanitation goods and services; increase access to water for hand washing and hygiene practices at home; development of sanitation policies and plans/strategies supporting local implementation.
- (d) School health – setting up functional sanitation facilities in schools and improving their maintenance; health education and BCC; IFA supplementation for adolescent girls; deworming for all school children; implementation of wellness programs with a nutrition and physical activity component; and prevention of teenage pregnancy through BCC.

The local level cross-sectoral health programs is expected to be financed through an existing budget program called the Local Government Support Fund (LGSF) which falls under DBM. Under the LGSF a special window for health will be created to be financed by Component 1. In order to incentivize the local governments to deliver results, the project will also set up a performance-based financial incentive scheme, likely through a similar special window within the Performance Challenge Fund of DILG.

Component 2 will support Capacity Building and Implementation through various interrelated activities with the aim of building LGU capacities to plan and implement health-related interventions. For this purpose technical support teams (TST) will be set up at the regional level,

under the management of DOH's regional department. The TSTs will support LGUs in planning and budgeting, nutrition, health promotion, maternal and child health, sanitation, and monitoring and evaluation (M&E). The component will also finance all other M&E tasks including three household surveys and independent verification of LGU performance.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	300.00	Total Bank Financing:	300.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			300.00
Total			300.00

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