



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 18-Jul-2024 | Report No: PIDDC00835



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) Philippines	Operation ID P506594	Operation Name Pagkilos - Locally-Led Climate Action	
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 11-Nov-2024	Estimated Approval Date 24-Feb-2025	Practice Area (Lead) Social Sustainability and Inclusion
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Department of Finance, Government of the Philippines	Implementing Agency Department of Social Welfare and Development	

Proposed Development Objective(s)

The objective of the project is to strengthen local capacities for participatory climate resilience planning and deliver climate action in vulnerable areas

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	840.75
Total Financing	840.75
of which IBRD/IDA	700.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	700.00
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Non-World Bank Group Financing



Counterpart Funding	140.75
National Government	140.75
Environmental and Social Risk Classification	
Moderate	Concept Review Decision
	The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Climate change poses a significant risk for economic development in the Philippines, with the latest Global Climate Risk Index ranking the Philippines fourth among countries in the world most affected by climate-related events from 2000 to 2019.**¹ This is especially true for communities in poor and high-risk areas of the country where climate shocks, whether extreme weather events (i.e., typhoons, floods and landslides) or slow-onset trends (i.e., drought, rising temperatures, sea level rise and salination of ground water), can hamper economic activities, damage infrastructure, lead to internal displacement, and induce social disruption. More than half of workers from vulnerable groups such as Indigenous Peoples (IP), low-income families and those in lagging regions are working in agriculture and unpaid family employment, where income levels are the lowest, and are vulnerable to shocks, such as climate-induced disaster events. Estimates prepared for the *Philippines Country Climate and Development Report* (CCDR) show that the economic damages in the Philippines could reach up to 7.6 percent of GDP by 2030, and as much as 13.6 percent of GDP by 2040 (World Bank, 2022). All sectors will be affected, with capital-intensive sectors such as energy and manufacturing likely to suffer most from extreme events, and agriculture suffering the most from slow-onset trends.² However, the projected economic losses could be substantially reduced (by around two-thirds) with appropriate climate adaptation measures.³

Sectoral and Institutional Context

2. **The CCDR establishes that climate change will disproportionately affect the poorest communities in the Philippines.** Poverty and social inequality (e.g., based on gender, ethnicity, age, or social class) drive vulnerability⁴ to climate change. This is also the case in the Philippines, where poor and marginalized groups are more exposed and vulnerable to climate change impacts, as they tend to live in areas that are more vulnerable to climate impacts (such as flood plains), and often depend on disaster-vulnerable livelihoods, such as agriculture and fishing. They also tend to have

¹ Germanwatch. (2020). Global Climate Risk Index 2020.

² World Bank. (2022). Philippines Country Climate and Development Report.

³ World Bank. (2022). Philippines Country Climate and Development Report.

⁴ Vulnerability is a combination of the extent to which a community will be exposed to a hazard, how sensitive the community is to the hazard, and its capacity for coping with the hazard.



fewer resources and more limited access to information, markets, services, and decision making processes, thus having lower coping capacities in the face of climate change impacts.⁵⁶

3. **Indigenous Peoples (IP), which constitute 8.7 percent of the 115.6 million population, are among the most vulnerable to climate change in the Philippines.** Poverty rates tend to be higher in areas with high percentage of IPs.⁷ However, IPs tend to have a more nuanced view of poverty, often based not just on monetary wealth but also on communal well-being, sharing of resources, and relationship to land. A recent IP household survey showed that 59 percent of IPs perceive themselves as poor (compared to 52 percent who do so among non-IP populations). IPs predominantly rely on natural resources for their livelihoods (52 percent of IPs are employed in agriculture, versus 19 percent of non-IP populations), and are therefore more vulnerable to climate change impacts.⁸

4. **Climate change also disproportionately impacts women, as it exacerbates existing socio-economic and cultural disparities.** Due to traditional gender roles and norms, women in the Philippines are often more vulnerable to extreme weather events, as they are more likely to die during such events, and experience higher risks of malnutrition due to prioritizing the needs of their family members.⁹ The underrepresentation of women across all phases of climate and disaster risk reduction management in the Philippines likewise remains a challenge.¹⁰

5. **Despite the progress made in climate change adaptation, there are critical gaps between current levels of adaptation, and what is required to effectively respond to impacts and reduce climate risks, particularly for the most vulnerable in the Philippines.** Adaptation planning and implementation has been fragmented and small scale in the Philippines. Municipalities are required to prepare Local Climate Change Adaptation Plans (LCCAPs), but quality is varying, horizontal and vertical integration of planning is lacking, and very limited funding reaches the local level where climate impacts are felt the most.¹¹

6. **The Government of the Philippines (GoP) is highly committed to enhancing community resilience to climate change.** The Philippines Development Plan 2023-2028 includes a full chapter on community climate resilience, which is further detailed in the new National Adaptation Plan 2023-2050 (NAP).¹² The goal of the NAP is to “*enhance adaptive capacities and increase resilience in communities, ecosystems and the economy against natural hazards and climate change.*” NAP highlights the importance of working directly with communities and supporting particularly vulnerable groups like women and IPs.¹³

7. **Locally led development in the Philippines is effectively contributing to improve access to services.** The Local Government Code of 1991 outlines the government’s policy of integrating citizens’ voice and participation in local

⁵ World Bank. (2022). Philippines Country Climate and Development Report.

⁶ Climate change effects will vary across and within regions. The northern part of the country will likely become wetter on average, while the south will become drier. The frequency of flooding is expected to increase with a projected wetter Luzon, while more devastating impacts of less frequent but high-intensity floods are expected in Mindanao. Basins where water demand already exceeds supply, such as Northwest Luzon and Central-Southern Luzon, or which have little surplus, such as Cagayan, are most vulnerable to changes in water availability. Areas where most agriculture is rainfed will suffer more than irrigated areas, although the latter may be affected by changes in water availability. With these differences, responses to climate change need to vary as well.

⁷ World Bank. (2024). No Data, No Story – Indigenous Peoples in the Philippines.

⁸ World Bank. (2024). No Data, No Story – Indigenous Peoples in the Philippines.

⁹ World Bank (2023). Philippines Country Climate and Development Report.

¹⁰ Philippine Commission on Women. (2022). Updated Gender Equality and Women's Empowerment Plan 2019 – 2025.

¹¹ Climate Change Commission and the World Bank. (2023). Policy Note: Supporting Local Communities in the Philippines to Confront Climate and Disaster Risks

¹² Climate Change Commission, 2023, National Adaptation Plan of the Philippines 2023-2050

¹³ The Climate Change Act of 2009 mandates LGUs to formulate local climate change action plans (LCCAPs), based on a given template. 92 % of LGUs have formulated LCCAPs, as required, but the quality of LCCAPs is varying and implementation has been uneven. Only few LCCAPs considered socio-economic indicators in their risk assessment.



planning, budgeting and service delivery. In 2014, with funding from the World Bank, the GoP program, KALAH! CIDSS¹⁴ (KC) of the Department of Social Welfare and Development (DSWD)¹⁵ was scaled up to a national program called National Community Driven Development Program (NCDDP). The objective of NCDDP, closing December 31, 2024, is to empower communities to have access to basic services and to participate in inclusive planning, budgeting and implementation. NCDDP engages marginalized and vulnerable groups such as IPs, women, and conflict-affected communities, in decision making and community-led implementation of investments. NCDDP has financed a total of 48,902 community-led subprojects in 21,906 barangays in 922 municipalities, including 547 municipalities affected by Typhoon Haiyan. Some 15.7 million households have benefitted from these investments.¹⁶ The project used the Disaster Response Operations Modality (DROM) to accelerate rehabilitation and recovery in municipalities affected by Typhoon Haiyan, and later to respond to COVID-19.

8. **The proposed Pagkilos project will leverage the platform developed under the KALAH! CIDSS (KC) program to enhance local climate change planning and capacity, and channel funds to communities for climate resilience investments delivered through locally-led development approaches.** Communities hold valuable experience on climate impacts, their local context and their cultural and sociopolitical context, and, if tapped and empowered, they can positively contribute to resilience.¹⁷ Identifying priorities for climate resilience should therefore be the outcome of an iterative process between climate science, local stakeholders, who bring the local context knowledge (communities, CSOs, local government, etc.), and national actors who contribute sectoral mandates and expertise. The proposed project incorporates lessons and design features from the NCDDP related to locally-led climate action and the role of community-driven development (CDD) in strengthening climate resilience. The NCDDP has shown that communities with the right facilitation are highly capable of inclusive planning and delivering high quality sustainable infrastructure. The proposed project aims to build on these experiences and the existing KC platform to strengthen systems and capacities for participatory climate resilience planning at community and municipal levels, with support from and linkages to the provincial and national levels for a more integrated approach. The participatory approach will allow stakeholders to understand climate risk and identify solutions together, and provide grants to finance climate resilience and climate-resilient livelihoods infrastructure to adapt to climate change.

Relationship to CPF

9. **The proposed Project is closely aligned with the World Bank Group's Philippines Country Partnership Framework (CPF) for the period July 2019 to December 2023 (No. 143605-PH) and the WBG goals of ending extreme poverty and promoting shared prosperity on a livable planet.** The project activities are aligned with Focus Area No. 1 "Investing in Filipinos," which aims to improve access of poor municipalities to basic services, Focus Area No. 3 "Addressing Core Vulnerabilities by Building Peace and Resilience," which aims to increase resilience to natural disasters and climate change; as well as the cross-cutting "governance" theme, which supports the strengthening of the implementation capacity of local government units (LGUs) as a central strategy for improving delivery of key services. The project will contribute to the World Bank Corporate Scorecard indicator "*millions of people with enhanced resilience to climate risks.*"

¹⁴ KALAH!-CIDSS stands for Kapit Bisig Laban sa Kahirapan (Linking Arms Against Poverty) Comprehensive and Integrated Delivery of Social Services. It was originally started in 2002 initiating more than 20 years of community led development.

¹⁵ KC aimed to address widespread poverty and inequality through strengthened participation of communities in barangay governance and implement and manage development activities that reduce poverty. KC was implemented in the 300 poorest municipalities across 40 poor provinces.

¹⁶ NCDDP has financed small infrastructure including access roads, water supply systems, classrooms and health clinics. Relevant to the climate and disaster resilience agenda, the project has financed flood protection, irrigation, drainage, seawalls, landslide protection and evacuation shelters.

¹⁷ World Resources Institute 2022, Locally Led Adaptation: From Principles to Practice, page 1-3; Coger, T., S. Corry, and R. Gregorowski. 2021, Reshaping Monitoring, Evaluation and Learning for Locally Led Adaptation." Working Paper. Washington, World Resources Institute; Intergovernmental Panel on Climate Change, 2022, Climate Change 2022: Impacts, Adaptation and Vulnerability - Working Group II Contribution to the Sixth Assessment Report of the IPCC



10. **The project supports the Philippines Development Plan (PDP) 2023-2028, which aims to strengthen community climate resilience.** The PDP highlights the need for climate action to safeguard poverty reduction gains, and outlines the need for strengthening resilience to climate risk at the community level (chapter 15, outcome #1). This is further detailed in the new National Adaptation Plan (NAP), 2024, with the overall vision to “*enhance adaptive capacities and increase resilience in communities, ecosystems and the economy against natural hazards and climate change*”.¹⁸ The project will support this overall objective, and will contribute to the NAP’s five cross-sectoral priorities: (i) strengthen infrastructure resilience; (ii) safeguard livelihoods; (iii) empower local governments and communities to take adaptation action; (iv) mainstream integrated adaptation governance; and (v) scale up nature-based solutions.

11. **The proposed Project is aligned with the Paris Agreement.** The proposed project is consistent with the Nationally Determined Contributions (NDC) of the Philippines, the National Climate Change Action Plan and the NAP. The project will contribute to the adaptation priorities outlined in the NDC, and is not expected to have any negative impact on the country’s low-Green House Gas (GHG)-emissions development pathways.

C. Proposed Development Objective(s)

12. The objective of the project is to strengthen local capacities for participatory climate resilience planning and deliver climate action in vulnerable areas.

Key Results (From PCN)

The achievement of the PDO will be measured through the following key indicators:

- %age of target municipalities with Local Climate Change Action Plans (LCCAP) developed and/or enhanced (according to new guidelines)
- %age of LCCAPs aligned with the National Adaptation Plan (Climate Change Commission to review for alignment)
- %age of project investments that are climate resilient (measured through technical certification at handover of asset to municipality)
- Number of people with enhanced resilience to climate risk (disaggregated for gender and indigenous people)

D. Concept Description

13. **The proposed operation is envisaged as an Investment Project Financing (IPF) Project comprising a US\$700 million International Bank for Reconstruction and Development (IBRD) Loan, with a five-year implementation period.** Target municipalities were selected based on poverty rates above the national average of 18.1 percent, susceptibility to a range of climate hazards (e.g., storm, landslide, inundation, heat, drought and floods), and inclusion of vulnerable communities, in particular IPs. Based on this targeting exercise, the project will support 500 climate vulnerable municipalities in rural areas across all regions of the country (excluding the National Capital Region). Target municipalities will include 193 municipalities with a minimum of 10 percent IPs and the project will support roughly 35 percent of the total IP population in the country.

14. **The Project will be implemented by the Department of Social Welfare and Development (DSWD) through the existing KALAHI CIDDS (KC) platform,**¹⁹ through which the ongoing NCDDP project is also being implemented. This platform

¹⁸ Climate Change Commission, 2023, National Adaptation Plan of the Philippines 2023-2050

¹⁹ The Kalahi Platform consists of the collective capacity build under the KC and NCDDP, which support and enable collaboration between communities and local government units. In particular consisting of (i) 2.2 million community volunteers capacitated and empowered; (ii) the DSWD



is well paced to implement local climate resilience initiatives, given the experience accumulated over the past 20 years, and the demonstrated capacity for service delivery at the local level. The project will require close collaboration with and contributions from Climate Change Commission (CCC), Department of Environment and Natural Resources (DENR), Department of Science and Technology (DOST) and Department of Interior and Local Government (DILG). National and regional technical working groups would be established to coordinate support from critical stakeholders.

15. The proposed Project includes the following four components:

16. **Component 1: Strengthened Climate Change Adaptation Planning:** The component comprises of three sub-components:

17. **Subcomponent 1a. Participatory Local Climate Change Adaptation Planning.** A planning exercise will be facilitated at the barangay level around climate risk and adaptation options to be participated in by community members and Barangay Local Government Units. The community planning will be consolidated at the municipal level under an enhanced LCCAP. Capacity-building will be provided for communities as well as municipal and provincial LGUs to build their knowledge and skills on key concepts and science of climate change contextualized to the local experiences, vulnerability and risk assessment, and adaptation planning.

18. **Subcomponent 1b: Digital Climate Risk and Vulnerability Platform.** Building on existing systems, a digital platform will be launched to share critical climate and socio-economic data with municipalities and barangays for easy planning. The application will include functionalities for inputting (i) data gathered through the participatory risk and vulnerability assessment at the barangay level to inform policy and program development, specifically focusing on data gathering on IPs, and (ii) data on LGU expenditures on climate program, projects and activities.

19. **Subcomponent 1c. Knowledge Base for Locally-Led Climate Adaptation.** This component will support two activities: First, the development of a repository of adaptation options, as prioritized under the NAP, including designs and technologies, and identify potential areas for knowledge sharing and learning between provinces/municipalities/communities with similar vulnerability profiles. Second, the CCC has built a roster of trained CC experts around the country. This roster of experts will be further enhanced, by identifying and training additional experts. The roster will support the roll out of training and capacity building under component 1a.

20. **Component 2. Financing for Locally-Led Climate Adaptation Sub-projects.** The component will finance climate adaptation sub-projects identified through participatory planning processes supported by the Project through Component 1 and provide technical support to organized community volunteer groups to assist them in implementing and managing the sub-projects. The component will comprise of two subcomponents:

21. **Subcomponent 2a. Grant Support for Locally-Led Climate Adaptation Sub-Projects.** A three-year plan will be drawn from the enhanced LCCAP, prepared under component 1. The three-year consolidated plan will identify priority locally-led adaptation sub-projects to be supported by the project and implemented by communities. Cluster projects, including and supporting several communities within the municipalities will be encouraged to support cross-boundary issues and allow for larger investments that will benefit more communities.

22. **The project will provide an open menu with certain eligibility criteria to be provided.** In line with the National Adaptation Plan priority themes, the general categories of sub-project are as follows:

- a. Climate-resilience infrastructure. This will include flood and drought protection, landslide and slope protection, and retrofitting of existing infrastructure to ensure climate resilience.

structure for implementation of community-drive development programs, including program policies and guidelines; (iii) mainstreamed strategies for participatory barangay development planning process in collaboration with the DILG.



- b. Nature-based solutions for ecosystem conservation/protection. This will include rehabilitation and preservation of natural resources (community forests, waterways, mangroves, etc.) that could alleviate or mitigate the impact of climate change.
- c. Infrastructure to support climate-resilient livelihoods. This will include pre- and post-harvest facilities, storage solutions and small-scale irrigation.

23. **Subcomponent 2b. Technical Support for Managing Locally-Led Adaptation Sub-Projects.** This sub-component will focus on ensuring that organized community volunteer groups, who will lead the implementation and management of adaptation sub-projects, are provided with the necessary capacity building and technical assistance support to enable them to perform their functions in accordance with project guidelines.

24. **Component 3. Project Monitoring and Management.** The component will include: (i) project management and operating costs of the PIU at national and regional levels; (ii); Monitoring and Evaluation (M&E), including both quantitative and qualitative monitoring, community-based monitoring and the project information management system; and (iii) consulting services for impact evaluation. This component will include also a grievance redress mechanism.

25. **Component 4. Contingent Emergency Response Component.** This zero-cost component will allow the GoP to quickly access uncommitted project funds in response to an eligible disaster, emergency, or crisis.

26. **Activities and results indicators focusing specifically on women, IPs and other vulnerable groups will be integrated in the project design.**

Legal Operational Policies

	Triggered?	
	Last approved	Current
Projects on International Waterways OP 7.50	No	
Projects in Disputed Area OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

27. **The Environmental and Social (E&S) risk rating is moderate:**

- a. **Environmental risk is considered moderate.** Within the context of the development of physical infrastructure, the Project will only generally include subprojects that would have net positive environmental impacts due to the objectives, nature, and scale of the Project, and will not finance subprojects that would result in any significant environmental risks (refer to negative list, footnote 30). Activities that may have some environmental risks and impacts are associated with Component 2a, which includes the development of climate-resilient infrastructure (e.g., water supply, health, food security and access facilities), livelihood-related pre- and post-harvest facilities, and ecosystem conservation and protection activities including nature-based solutions. Risks and impacts associated with these activities are expected to be predictable, temporary, reversible, low in magnitude, and confined within the



subproject footprint. These risks can be readily mitigated and are unlikely to require extensive or unproven mitigation strategies. While the Project may include activities within key biodiversity or conservation areas, activities would be enhancements focused on nature and conservation. Other non-physical components of the Project will have negligible or low environmental risk.

- b. **Social risk is considered moderate.** The Project is expected to have long term positive social benefits for the communities and household beneficiaries such as increased adaptive capacities to the impact of climate change, including access to infrastructures. The nature of the project presents inherent and contextual risks that can be avoided and/or mitigated. These include labor and working conditions, including community workers, health and safety concerns e.g., noise and air pollution, road traffic or accessibility linked to civil works, small scale land acquisition, right of way and temporary resettlement, and more importantly, ensuring equitable and inclusive access to project benefits especially among vulnerable groups. These risks are, however, predictable, site specific and likely to have minimal adverse social impacts. Risks can be mitigated with appropriate actions and measures. Lessons learned from the implementation of the NCDDP will be crucial in enhancing the project's design and strategy to avoid and mitigate these types of risks. Mitigation measures include enhanced occupational health and safety for staff and community workers, increasing use of technology for a robust grievance redress mechanism, and hiring of dedicated local or regional ES specialists among others.

28. **Security presents a contextual risk for this project especially in some parts of the country that are affected by the communist insurgency.** The implementing agency has longstanding experience in working in this kind of environment, however, and has produced a Guidance Note for Conflict-Affected Areas, issued in 2015. In addition, there is no foreseen security risks towards laborers as the majority will be sourced from the community or through the community volunteers.

29. **Project affected parties include local community members, provincial, municipal and barangay local government units (MLGU/BLGU), national agencies i.e., CCC, DENR and DILG, DOST-PHIVOLCS, National Commission on Indigenous Peoples (NCIP), IPs, women, persons with disabilities (PWDs), farmers and fishers.** The Project has integrated in its design an affirmative action specific to IP communities. First, IP majority communities can opt to use the tribal decision-making and planning process for communities with IP majority, and second, IP minority communities (above 25 percent IPs) will require providing an IP inclusion strategy and dedicated sub-projects for communities with minority IP population. Learnings from DSWD's long history of implementing the KC-NCDDP project in IP communities will be valuable in informing the design of this project. Women's participation in the project activities might result in an increase in the risk of gender-based violence (GBV). The project will therefore explore options for GBV awareness raising activities and strengthening local reporting and response mechanisms.

30. **The institutional ES assessment for DSWD, conducted May 14, 2024, demonstrated the agency's high level of technical and institutional capacity in managing various activities and sub-projects of this nature, along with the necessary ES actions.** This capacity is attributed to the department's extensive experience in implementing community-driven development projects under the previous World Bank safeguards regime, specifically under the KALAHI-CIDSS Program. Additionally, DSWD is currently utilizing the current ESF for a health and nutrition project (P175493), The Philippines Multisectoral Nutrition Project. While there is evident capability in implementing projects under the Bank's safeguards policies or ESF, DSWD appears to have limited capacity and experience in preparing and conducting the Borrower's E&S assessment required by the Bank's ESF before Appraisal due to staff turnover through the course of the program. Additional support and resources will be needed in this regard.



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APPROVAL

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