

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA7557**

**Date ISDS Prepared/Updated:** 23-Jan-2014

**Date ISDS Approved/Disclosed:** 29-May-2013, 02-Oct-2013, 17-Jan-2014, 24-Jan-2014

**I. BASIC INFORMATION**

**1. 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>	04-Apr-2013	<b>Estimated Board Date:</b>	20-Feb-2014
<b>Managing Unit:</b>	EASPS	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Public administration- Other social services (50%), Rural and Inter-Urban Roads and Highways (20%), Water supply (20%), Primary education (10%)		
<b>Theme(s):</b>	Rural services and infrastructure (34%), Participation and civic engagement (33%), Other social development (33%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	663.90	Total Bank Financing:	479.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			184.90
International Bank for Reconstruction and Development			479.00
Total			663.90
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

To empower communities in targeted municipalities to achieve improved access to services and to participate in more inclusive local planning, budgeting and implementation.

**3. Project Description**

The proposed KC-NCDDP will draw on the successful experiences of the Government's various CDD programs, particularly the KALAHICIDSS program managed by the Department of Social Welfare and Development (DSWD). From 2002 to June 2012, KALAHICIDSS financed a total of 5,949 community sub-projects in 6,167 barangays worth a total of Php. 6.4 billion (approximately US\$ 156 million) and benefiting about 1,227,500 households in the poorest provinces and municipalities in the country. Basic social services facilities (water systems, school buildings, day care centers, health stations) are the most commonly financed (53 percent) followed by access infrastructure such as roads and bridges (25 percent). The end-of-project impact evaluation showed improvements in measures of household income, year-round access, 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. The KC-NCDDP components and core areas of investment would be closely aligned to those of KALAHICIDSS.

Component 1: Barangay (community) grants (estimated US\$ 398 million IBRD). This component would support two types of assistance to participating barangays. First, planning grants will be made available to communities to support the so called "Community Empowerment Activity Cycle" (CEAC). These grants would be used for the orientation, consultation, participatory priority-setting, action planning, review and approval processes for different community subprojects at barangay and inter-barangay (municipal) levels. Planning grants would also support technical assistance inputs to ensure the quality of design and implementation of community infrastructure. Second, investment grants will support community subprojects and activities (community based public infrastructure and services such as roads, bridges, schools, day cares, etc.) that respond to community-identified priorities, including in those communities affected by a qualified emergency or disaster, such as with Typhoon Haiyan. An open menu of sectoral investments would be eligible for financing under these grants. The component would also support efforts to strengthen the barangay assembly as a forum for community-local government engagement and local-level governance. Block grant financing would be shared between national government (including ODA) and local level counterpart contributions (LCC) from municipal, barangay and communities themselves. Under KC-NCDDP, allocations of municipal block grants would be based on a formula that factors in population and poverty incidence, and the effects of Typhoon Haiyan.

Component 2: Local capacity building and implementation support (estimated US\$ 67.5 million IBRD). This component supports the strengthening of municipal LGUs and staff to facilitate, 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 to monitor and report on subproject progress and results. The component would also provide for greater support and capacity building of local government units (LGUs) to enhance local poverty reduction action planning, budget execution and public financial management, and for national government agencies at sub-national level to enhance their own community based activities and participation in the KC-NCDDP. This component specifically would finance training, consultant services and other incidental costs.

Component 3: Program Administration, Monitoring and Evaluation (estimated US\$ 12.3 million IBRD) to finance the oversight, coordination and overall management of the program. This would include contracting specialized staff and procurement of required goods and financing of incremental operating costs to assist DSWD in the execution, monitoring and reporting of the program at national, regional and sub-regional levels. The component would also support enhancements and

streamlining of the current KALAHY-CIDSS monitoring and reporting system, the hiring of additional regional level monitoring officers, design and contracting for specialized studies, and to facilitate regular review of monitoring and evaluation data for management decisions. Such studies will include a review of technical quality and maintenance of infrastructure, an economic analysis of KC-NCDDP subprojects, specific household surveys to track key outcome indicators and a detailed process evaluation of KC-NCDDP, including of procedural variations that are expected to be implemented in different contexts (conflict, disasters, indigenous populations) and of the links with the regular LGU planning processes. This component would also support the dissemination of lessons learned and relevant training events for different stakeholders, and provision of operational assistance to regional and municipal offices of DSWD in disaster affected areas to reestablish operational capacity. The component would specifically finance consultant services, training/ workshops and operating costs (including project-specific staff).

Financing from the World Bank, as well as proportional Government and counterpart funds, would support an estimated 477 poor rural and typhoon-affected municipalities in the Philippines. Based on the 2010 census, the project would therefore cover an estimated 16.85 million people (or approximately 18 percent of the overall population of the country). It is expected that the project will directly benefit one-half of this population, either through active engagement in project processes or through access to public infrastructure financed by the project.

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

The program would cover an estimated 477 of an estimated 847 poor rural or Typhoon Haiyan-affected municipalities in the country. The program will work in nearly all regions of the country and therefore would engage with all varieties of environmental and social contexts that are present in the Philippines.

#### **5. Environmental and Social Safeguards Specialists**

Roberto B. Tordecilla (EASPS)

Gerardo F. Parco (EASPS)

<b>6. 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. Based on experiences under KALAHY-CIDSS, in most cases the environmental and social impacts of such projects are expected to be minor, temporary, site-specific, reversible and limited to the construction phase. They include typical construction related impacts such as, noise vehicle emissions and dust generation during construction, small-scale vegetation loss, management of construction waste, 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 and Social Management Plans (ESMP) and technical guidance on appropriate construction designs and practices, as well as general good housekeeping. Technical manuals developed by DSWD under KALAHÍ and Thematic Environmental Management System materials developed with the support of MCC will be used for this purpose. The overall environmental and social due diligence approach in the project is governed by EIA Guidelines and the Environment and Social Management Framework (ESMF) used in the KALAHÍ-CIDSS project, which have been revised, updated and streamlined into one document by the DSWD, and would be applied under the KC-NCDDP. This document would serve to screen for and identify potential negative impacts and plan the implementation of relevant mitigating measures.
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. In addition, the ESMF includes screening criteria and mitigation actions to safeguard 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	Yes	Experience in the previous project KALAHÍ-CIDSS has shown approximately 1% of subprojects related to irrigation. To prevent a potential increase in the use of pesticides, current and future beneficiary communities that chose to invest in small-scale irrigation will be trained in Integrated Pest Management practice by coordinating with the Municipal Agricultural Officer of the LGUs and the Dept. or Agriculture extension services (through the KASAKALIKASAN Program). Experience in Kalahi-CIDSS also revealed the potential use of termiticides in treating soils around infrastructure projects. Applicable Integrated Pest management Practices will be promoted.

Physical Cultural Resources OP/BP 4.11	No	The small footprint of community infrastructure projects, inherent flexibility in selecting a site for these structures, and the fact that the community members themselves would be involved in identifying the site makes it highly unlikely that there would be any impact on Physical Cultural Resources.
Indigenous Peoples OP/BP 4.10	Yes	IP communities were found and engaged in eight regions covered by KALAHI CIDSS (KC) implementation (CAR, Regions IV-B, V, IX, X, XI, XII and XIII). The probability of engaging and affecting IP communities under KC-NCDDP is high since most of the estimated 477 of the 847 poorest municipalities targeted are located in these regions. While no specific IP Plans were prepared under KALAHI, the sub-project plans from IP communities (18% of total), prepared through a FPIC process, include the main elements of an IPP. The existing Indigenous Peoples Policy Framework (IPPF) has been enhanced (to improve on the consultative process) based on a specific review of engagement with IP communities under KALAHI as part of the KC-NCDDP preparation ("Developing an IP Lens in Development Projects").
Involuntary Resettlement OP/BP 4.12	Yes	Based on the experiences in KALAHI-CIDSS implementation, no involuntary physical relocation is anticipated under the project. However, some sub-projects may require the acquisition of land. Therefore, an enhanced Land Acquisition, Resettlement and Rehabilitation Framework (LARRF) has been prepared and integrated into the ESMF based on the existing LARRF for the KALAHI- CIDSS project, the assessment of its (LARRF) implementation, as well as through public disclosure and consultations with local communities and civil society organizations that have been involved in the implementation of the KALAHI-CIDSS project.
Safety of Dams OP/BP 4.37	No	The Project will not finance dams.
Projects on International Waterways OP/BP 7.50	No	not applicable
Projects in Disputed Areas OP/BP 7.60	No	not applicable

## II. 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:

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. Based on the KALAHI-CIDSS experience, in most cases the environmental and social impacts of such projects are minor, temporary, site-specific, and reversible, and occur primarily during the construction phase. They include typical construction related impacts such as vehicle emissions and dust, small-scale vegetation loss, management of construction waste and temporary and intermittent elevated noise levels. There is also a potential for the increased use of pesticides in areas where small irrigation projects are selected by the community (which happened in 1% of KALAHI subprojects). Termiticides are also commonly used to treat the soil around structures. Nonetheless, the purchase of pesticides would not be financed under the project and integrated Pest Management methods and practices will be promoted.

The Project will cover poor regions that are home to indigenous peoples (IP) who have a long history of marginalization and neglect. If not properly managed, project activities could potentially further exclude them or harm their lives and culture. While the underlying participatory principles of the KC-NCDDP generally serve to increase voice and power of IP communities (effectively serving as a parallel mechanism for obtaining Free and Prior Informed Consent), a study conducted as part of the preparatory work under the KC-NCDDP found that efforts under KALAHI-CIDSS to fully engage IP communities were not always fully successful. In response and to ensure that IP communities under KC-NCDDP receive culturally appropriate benefits, operational changes have been agreed to with DSWD to further enhance consultations and engagement of IP communities (including additional IP specific staff, training and improved facilitation guidelines, explicit engagement of elders and the National Committee of Indigenous People (NCIP), and increased weighting for IP community sub-project proposals). These are reflected in the IP Policy Framework (IPPF), which is part of the KC-NCDDP Environmental and Social Management Framework (ESMF). During preparation of the KC-NCDDP several meetings have taken place between DSWD and the NCIP to discuss the IPPF, leading to the latter's strong support to the project and formal endorsement (in its letter of May 3, 2013) of the IPPF. As part of the preparation for KC-NCDDP, additional enhancements to the Community Empowerment Activity Cycle (the process used to engage with communities and facilitate decisions around priority development needs) were made in pursuit of the objective of ensuring free and prior informed community consultations resulting in broad community support.

More than 90% of the sub-projects under KALAHI-CIDSS used government or public lands for new infrastructure. All instances which required private land were for very small areas (e.g., pathways for the laying of water pipes), which were readily and voluntarily donated as part of the community mobilization processes and negotiations. Such acquisitions were executed through a deed of donation in accordance with the Philippine laws. Under the KC-NCDDP it is similarly expected that land would be acquired mostly through use of existing government lands or voluntary donation of private lands.

#### 2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Overwhelmingly, the direct long term impacts of the subprojects are positive-- such as better access to basic services among poor households due to improved community infrastructure, and enhanced economic activity in the community.
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
not applicable
<b>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.</b>
<p>During the preparation of KC-NCDDP, an assessment of the effectiveness of the safeguards instruments used under KALAHICIDSS) was carried out. The assessment found that the DSWD team especially at the municipal and community levels was satisfactorily implementing safeguards screening and supervision of subprojects per relevant (and Bank approved) guidelines. However, the relevant safeguard procedures that were outlined in three separate documents—an ESMF, (including a LARRF and an IPPF), an EIA Guideline and a Safeguards sub-manual-- were found to be quite complicated. To address these issues, it was agreed that for KC-NCDDP, all safeguards instruments should be integrated into one document, the ESMF, which complies with the relevant safeguards policies for this program: OP 4.01, OP 4.09, OP 4.10, OP 4.12.</p> <p>These procedures have been further streamlined into two steps: 1) screening for different types of impacts using checklist questionnaires, and 2) preparation of appropriate safeguards instruments (EIA, ESMP, LARRP, IPP, etc.), based on the findings of the screening stage to identify potential negative impacts and relevant mitigating measures. For instance, sub-projects that involve the construction/ rehabilitation of health care facilities, the ESMP will include procedures and measures for proper handling of solid and liquid medical waste. Beneficiaries of irrigation projects will be trained in Integrated Pest Management practices to minimize use of pesticides (in coordination with the extension services provided by the Department of Agriculture and the Municipal Agricultural Officer of the LGUs under the KASAKALIKASAN Program). While involuntary land acquisition is not expected as per experience under KALAHICIDSS, all types of land acquisition will be done and documented through the procedures and forms outlined in the Land Acquisition, Resettlement and Rehabilitation (LARR) framework, an annex to the ESMF, and which includes a comprehensive compensation matrix. This would include the preparation of Voluntary Land Acquisition forms, or a Land Acquisition, Resettlement and Rehabilitation Plan (LARRP) in the unlikely event of land acquisition or displacement. The LARRP is fully consistent with World Bank OP 4.12, including the requirements for a Resettlement Action Plan.</p> <p>The existing IP Policy Framework (IPPF) applied under KALAHICIDSS was reviewed and updated as part of the NCDDP preparation process based on a review of issues and constraints to IP participation. The review resulted in the following adjustments: (i) the development of specific facilitation modules for IP areas with a strong focus on capacity building of communities, awareness raising on IPRA and meeting the documentation requirements for Ancestral Domain Claims (ii) changes in the sub-project criteria setting process in mixed communities to ensure that greater weight is given to proposals from IP communities (therefore making some adjustments to the competitive process to the advantage of IP groups). The IPPF includes 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. Sub-project plans (including</p>

related social investigations and participatory situational analysis) would include the relevant elements of an IPP. DSWD will establish a protocol with the National Commission on Indigenous Peoples (NCIP) for addressing land issues and clarify roles and responsibilities at National, Regional and Municipal levels. Finally, IP specialist positions will be established at NPMO and Social Development Unit staff at Regional level will be tasked with the coordination of the additional activities proposed; and a Technical Working Group on IP issues will be created at National level for closer engagement with NCIP and civil society organizations active in this area. The IPPF, the preparatory study, and the project document have been discussed with relevant IP organizations in-country and endorsed by the NCIP.

DSWD as well as other partner agencies such as the Department of Agriculture have been implementing World Bank-assisted projects and programs and have shown strong capacity to implement safeguards. For DSWD the same set of staff and units will be involved in safeguards supervision for the KC-NCDDP. Regional safeguards officers will be hired/designated to take charge of overall supervision, monitoring and reporting at regional level. Additional staff with specialized IP skills will be hired in those regions where there are higher relative concentrations of IP communities. Community Facilitators and Deputy Area Coordinators at municipal level will be trained and supervised to ensure that relevant project safeguards are addressed.

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

The key stakeholders are rural poor communities who will be consulted through a participatory process, local government units (barangays and municipalities) and key agencies of the government such as the Department of Agriculture, Education, Health, Local Government, and the National Commission on Indigenous People. Project facilitation will emphasize the inclusion of vulnerable groups within the community, especially the IPs, when they are present, and enhanced IP facilitation procedures have been agreed upon. Participating communities and LGUs will sign an agreement with DSWD, which will require them to support the participatory planning process. The project principle of full transparency will be implemented through a program of disclosure of plans, budgets and expenditures supplemented by independent civil society monitoring. At the national level, DSWD has established strong coordination with NCIP to ensure IP-sensitive activities across implementation levels.

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	03-Apr-2013
Date of submission to InfoShop	09-Apr-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
Philippines	12-Apr-2013
<i>Comments:</i> disclosed on DSWD's main website and that of KALAHYAN-CIDSS, revised ESMF disclosed on May 21, 2013	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	03-Apr-2013
Date of submission to InfoShop	09-Apr-2013

"In country" Disclosure	
Philippines	12-Apr-2013
<i>Comments:</i> as above	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	03-Apr-2013
Date of submission to InfoShop	09-Apr-2013
"In country" Disclosure	
Philippines	12-Apr-2013
<i>Comments:</i> as above	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	NA
Date of receipt by the Bank	NA
Date of submission to InfoShop	NA
"In country" Disclosure	
<i>Comments:</i>	
<b>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.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### C. Compliance Monitoring Indicators at the Corporate Level

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Is a separate PMP required?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
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 [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader:	Name: Sean Bradley	
<b>Approved By</b>		
Sector Manager:	Name: Ousmane Dione (SM)	Date: 24-Jan-2014