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GOP-WB Sign US\$100M Loan Agreement For Gov't Anti-Poverty Program

The Government of the Philippines (GOP) and the World Bank recently signed a loan agreement for the US\$100-million loan for the KALAHI-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) Project.

KALAHI, which stands for *Kapit-Bisig Laban sa Kahirapan* or "linking hands in the fight against poverty," is the national anti-poverty program of the Philippine government. CIDSS is one of the government's most successful anti-poverty programs

The loan agreement for the project, approved in September by the WB Board of Executive Directors, was signed by Finance Secretary Isidro Camacho and WB Country Director Robert Vance Pulley

The KALAHI-CIDSS Project will help the government strengthen the capacity of local communities to design, implement and manage development projects such as roads and bridges, village schools, clinics, water supply and sanitation facilities.

"The project will promote good governance, transparency, participation with local level decision making, and increased accountability as communities gain hands-on experience in managing projects," said Cyprian Fisiy, World Bank Task Team Leader for the project.

The project will empower communities to access better services from local governments; improve local governance by strengthening formal and informal institutions to become more inclusive, accountable, and effective; and provide resources for community investment programs, which will be designed, implemented, and managed by local communities.

"The Bank's strategy for the Philippines is built on twin pillars—promoting growth and enabling people, especially the poor, to participate fully in development," Country Director Robert Vance Pulley said. The project supports the second pillar by giving influence over decisions and resources to local communities.

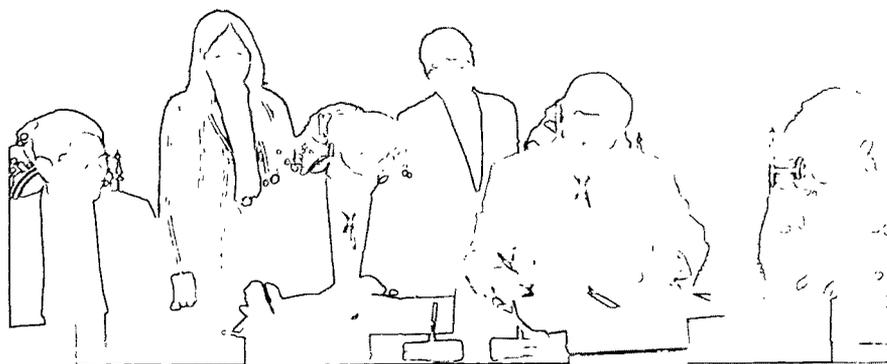
"The project articulates the principles of empowerment where people create and build their own future," said Secretary Corazon

Soliman of the Department of Social Welfare and Development, which will implement the project.

More than 5,300 barangays in 193 municipalities in 40 of the poorest provinces nationwide are expected to benefit from the project. These will be mostly in the rural areas, where most poor Filipinos live

The KALAHI Program aims to redistribute physical and resource assets to the poor, improve access to basic education, health and nutrition, shelter, potable water, electricity, boost activities in agriculture and fisheries and provide seed capital to micro and small businesses of the poor, strengthen political participation and cultural expression in poor communities; and reduce the vulnerability of the poor to the effects of economic shocks and disasters.

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(From left) Bhuvan Bhatnagar, WB Senior Social Scientist, WB Country Director Robert Vance Pulley, Finance Secretary Isidro Camacho, and Social Welfare and Development Secretary Corazon Soliman

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WB-Gov't Sign Loan Agreement for Social Expenditure Management Project

More Textbooks and Classrooms for Schools, Drugs for Health Programs

The Philippine government can provide more textbooks and classrooms for school children and adequate medicine in barangay health centers for the poor, with the approval of the US\$100 million loan for the Second Social Expenditure Management Project (SEMP II)

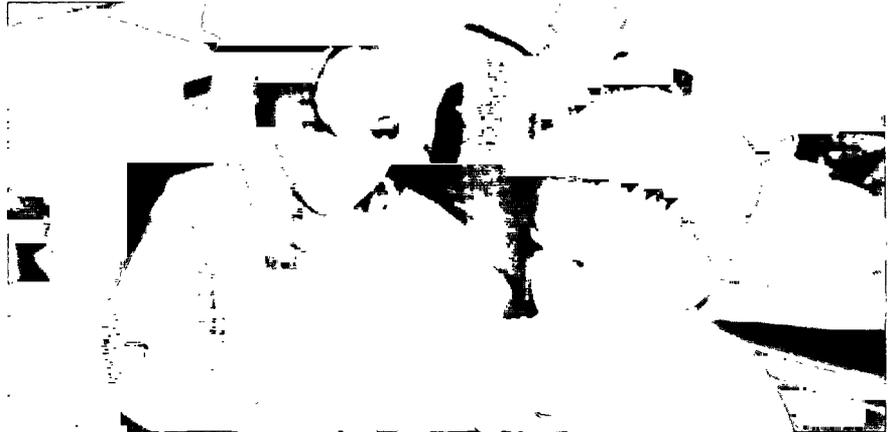
“The project clearly reflects the Bank’s focus on improving the quality and efficiency of basic education, public health, and social services for the poor in the Philippines,” said WB Country Director Robert Vance Pulley, who signed the loan agreement with Finance Secretary Isidro Camacho

“With the government’s tight fiscal condition, the loan is timely as it seeks to support and protect the national budget for social services,” he added

The loan agreement for SEMP II was signed recently by the government and the World Bank SEMP II aims to help the government improve the delivery of basic education, public health, and social services for the poor

In particular, the project will help the government increase the availability of textbooks, build new classrooms, and provide drugs for public health programs It will also support barangay-centered activities for social services in poor municipalities

Furthermore, SEMP II aims to enhance the



efficiency and effectiveness of public sector agencies through strengthened procurement and financial management, improved allocation and use of resources, improvement in the work environment of relevant agencies, and increased transparency, accountability and responsiveness through public expenditure tracking

The project will be implemented by the Departments of Education, Social Welfare and Development, and Public Works and Highways, under the oversight and support of the Department of Budget and Management

SEMP II builds on the achievements of the first SEMP, which was also supported by the Bank with US\$100-million loan The first SEMP, for instance, helped improve the procurement of textbooks, desks and chairs,

resulting in savings of US\$20 million for the government

As of July 2002, the first SEMP built 155 new classrooms, repaired 13,400 classrooms, delivered 103,000 desks and chairs to schools, and trained 17,500 teachers

Moreover, the project helped nearly 700,000 families in 6,000 barangays It also helped the government operate and maintain residential and community-based centers, which served more than 28,600 persons and helped 430,000 families who were victims of calamities, as well as 77,000 distressed and disadvantaged persons

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It will also introduce the following innovations—an open menu for selection of project activities, selection of proposals through an inter-barangay competitive forum, community management of project funds, including community contracting, and deepening of facilitation and broadening of transparency requirements

CIDSS is one of the social services programs being supported by the Bank’s First Social Expenditure Management Project (SEMP I) It aims to reduce the unmet minimum basic needs of poor families such as health, food and nutrition, clothing, shelter, water and sanitation, income and livelihood After eight years of implementation, CIDSS now covers 1,084 municipalities and 3,893 barangays

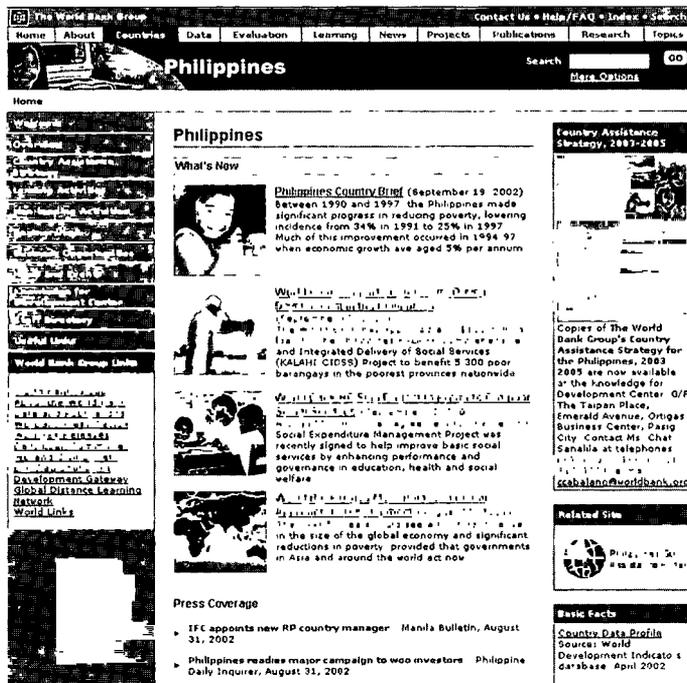
Ways to improve the quality and efficiency of providing basic social services for the poor

- Improve planning, procurement and tracking for key inputs such as textbooks and drugs
- Continue and institutionalize the medium- and long-term program for systems and process improvements begun in SEMP I
- Cover additional areas expenditure management improvement such as teacher deployment and drug regulatory systems
- Support the government and civil society in developing transparency and accountability through budget analysis, public expenditure tracking, and client feedback

Source: SEMP II Project Profile



WB RP's Website Has New Look and Feel



Unveiled during the launch of the Knowledge for Development Center (KDC), the website has been revamped to make it more user-friendly.

The World Bank Philippines website (www.worldbank.org.ph) was recently relaunched, sporting a new look and feel that is very similar to the World Bank Group site. Unveiled during the launch of the Knowledge for Development Center (KDC), it has been revamped to make it more user-friendly.

The site's content structure used to be complicated and information was hidden within the site. With its reorganized content, users can now easily find the information they need within three clicks of the mouse. Links that take users out of the WB PH website have been given context, making it easier for users to figure out what it is about.

Unlike the old website, almost all content is now in HTML. Most press releases have printer-friendly versions and news articles are archived for easy reference. Downloads indicate file type and size so users will have an idea how much time it will take them to get it. And if users are interested in receiving site updates by e-mail, they can fill out a form available from the site's

homepage. Plans for the site include beefing up its content and adding interactive features.

Here's some feedback from professionals and students who have tried the site when they visited the World Bank's KDC, a one-stop of information on the World Bank and other development literature. KDC is located on the ground floor of the Taipan Place, Emerald Avenue, Ortigas Center, Pasig City.

Cheerly Rosal, 20
4th year, UP Diliman

"The content is presented and written simply so it is easily understood. Also, accessing Bank reports and documents is quick and easy because it uses the Global Jolis system. If I'm researching about a particular subject, I'll just have to type the keywords in the search."

Eliseo Gonzales Jr., 22
Graduate student, UE

"I don't know much about the Bank

Fortunately, the site introduced the Bank to me. I just clicked "Welcome," which gave me quick information about the Bank and what is done in the Philippines and around the world."

Edmar Villafior, 23
Art Director
BCD-Pinpoint Direct Marketing, Inc.

"It's easy to navigate the site because all the links are there. But the links should have icons so that the user can easily find the information he's looking for."

Johannalyn Razon, 18
3rd year, PUP

"The content of the site is relevant to the course I'm taking (BS Business Economics), particularly the information on the Philippine economy--historical background, current situation, and socio-economic data and indicators."



Helping Improve the Poor's Living Conditions

The World Bank has been helping the Philippines reduce poverty, which often affects the most vulnerable—families, women, children, the youth. It has supported government projects that aim to increase the access of the poor to basic social services like education, health, shelter, water and electricity. Featured here are some of these projects, which have made a difference in the lives of poor Filipinos.

Competitive bids mean high quality, low-priced textbooks

With the passage of the law privatizing the production of textbooks for public schools in 1996, the government invited private Filipino publishers to accredit their books by the Department of Education (DepEd) for selection as textbooks.

The law aims to end a government monopoly and open the textbook industry to competition. But poor implementation of the law resulted in the protection of a few suppliers who delivered low quality and high-priced textbooks. Owing to the increased cost of textbooks from negotiated prices, the number of textbooks to pupil ratio dropped to as low as one textbook to eight pupils.

A Bank-financed **Third Elementary Education Project (TEEP)** had funds available for textbooks but required competitive bidding. With the support of officials from DepEd and the Department of Budget and Management, the project

team agreed to purchase textbooks through international competitive bidding.

The results of the bidding were highly favorable, allowing the government to save US\$4 million (out of an estimated bidding of US\$10 million). This meant more books for more schoolchildren. Prices were lower by 40%, falling from P40-65 per book to the negotiated prices of P25-40 per book. Moreover, the quality of content and paper was superior to those produced before international competitive bidding was introduced.

Today, some 50 million textbooks have been acquired under TEEP and the Social Expenditure Management Project, raising textbook distribution from 1 book to 4 children to 1 book to 2 children. The Bank now helps the government formulate a long-term textbook policy and plan the distribution, tracking and use of textbooks in the classroom.



Investing in children's education in the provinces

Through the **Third Elementary Education Program**, the government has helped the most disadvantaged schools and communities in 26 poor provinces, with 1,908 new classrooms built and 2,514 classrooms repaired.

Over 7 million textbooks and teacher's manuals in four subjects—English, Math, Science and Filipino—have been delivered to the provinces, which have also received 63,035 standard school and classroom kits. A total of 2,134 in-service training courses have been conducted involving 54,565 teachers and school administrators.

Furthermore, the program's School Improvement Innovation Facility has awarded 1,574 grants for projects that aim to improve reading comprehension and develop indigenous teaching materials.

With these accomplishments, the government has improved its capacity to raise learning achievements and expand access to quality public education at the primary level.

Easy, affordable screen method for cervical cancer

Cervical cancer is the second most common cancer among Filipino women, next to breast cancer. About 10 in every 100,000 women die of cervical cancer within a five-year period. Further, two-thirds of women diagnosed with cervical cancer are in the advanced stage, where mortality is high. Early detection, which can be done through a Pap smear test, greatly reduces the incidence of cervical cancer. However, most women tend to avoid the Pap smear test because of its invasive nature and cost.

Under the Bank-supported **Women's Health and Safe Motherhood Project**, the Department of Health (DOH) pilot-tested an alternative screening method for cervical cancer that costs less and is more acceptable

to women than the Pap smear. Called the Acetic Acid Wash Method (AAW), it can be easily performed by almost anyone, in almost any setting, using only a light source, a speculum, acetic acid such as vinegar, and, optionally, a gynecoscope. Only positive cases using AAW will be referred for Pap smear, hence reducing the number of Pap smear tests.

The DOH now seeks the issuance of a health policy adopting the use of AAW in the screening of cervical cancer. The Philippine Society of Cervical Pathology and Colposcopy, the Society of Gynecologic Oncologists of the Philippines, and the Philippine Obstetrics and Gynecologic Society have expressed support for the screening method.



Clean, safe water 24 hours a day for Magdalena folks

Adequate water supply is a problem in many places in Metro Manila. In some areas, water services are often restricted to less than one hour a day and in others, water is generally unsafe to drink.

Just a two-hour drive from Manila, a town called Magdalena in Laguna has been relying on a spring well in a nearby town, Liliw, as its water source for the past 80 years. Constructed in the 1920s, the old water system has deteriorated through the years. The quality of water has worsened because of contamination and old leaking or busted pipes. The water has been found to contain harmful bacteria that can cause diarrhea, gastroenteritis, and parasitism and service was available for just 30 minutes a day. To meet their water supply needs, most families bought extra water at P1.00 per 20-liter container and washed their clothes in a river several kilometers away from the community.

Early this year, a part of the town cut its pipes from the old water source and connected itself to a new water source developed within the town. Built through funds borrowed from the Bank-supported **Local Government Unit Urban Water and Sanitation Project (LGUWSP)**, the new waterworks system now serves more than 2,000 homes in nine barangays.

The LGUWSP, which is financed by an Adaptable Program Loan from the Bank, aims to help LGUs improve and sustain the provision of water, sanitation, drainage and other environmental services to their people. It also seeks to help LGUs improve their capacity for planning and management of water and sanitation services.

Juanita Resurreccion, a 58-year old housewife from Barangay Ibabang Butnong, says "Ginhawa kami sa bagong water system. Buong araw may tubig kami sa bahay. Di kagaya dati na 30 minutes lang sa isang araw dumating ang tubig." Her family uses the water for cooking, bathing, and washing dishes and clothes.



Meeting the needs of families in conflict-afflicted areas

Expanding the access of war victims to basic social services is the thrust of the **Special Zone for Peace and Development (SZOPAD) Social Fund**, a Bank-assisted project that aims to alleviate poverty in poor and conflict-affected areas, particularly in Mindanao and Palawan.

With the SZOPAD Social Fund, more children can attend school as 453 new classrooms have been built and 46 have been renovated. Education accounts for the biggest chunk at 47% of all completed subprojects, reflecting SZOPAD's and the Bank's priority of giving children wider opportunity to have a better future.

Water supply and sanitation projects make up 19% of completed subprojects while health projects share 6%. Pre- and post-harvest facilities, mostly of warehouses, account for 17%. The rest are rural roads and community development projects. Close to 450 infrastructure subprojects were completed, benefiting 320,000 persons.



Get to Know the Bank's New Staff



MARY JUDD
Mindanao Coordinator

"The most rewarding aspect of my work is being able to meet with people at the grass roots and learning from them."

Mary Judd joined in September the WBOM's Environment and Social Unit as the Mindanao Coordinator. She will task manage the ARMM Social Fund Project, liaise with the government and ARMM stakeholders, and facilitate donor coordination.

Mary has been working at the Bank since 1992, with four years in the Field Office in Indonesia and over six years at the headquarters in Washington DC. In Indonesia, she was the Community Development Specialist for the Rural Water Supply Group and at the HQ, she was a Social Development Specialist responsible for social development and social safeguard compliance for Bank projects across all sectors in the East Asia region.

Before joining the Bank, Mary had worked extensively in East Asia for more than 15 years as a research fellow; community development specialist; Fulbright Senior Researcher; development consultant for bilateral and multilateral donors; program coordinator for a major international NGO; and Peace Corps trainer.

"It's a challenge to work for the Bank because there are a lot of contradictions within it, such as, it is both a research and an operational institution, there are both academics and project-oriented people within it," she says.

"However, the contradictions are healthy and they keep us questioning our institutional values and our objectives."

She adds that the Bank is an interesting place to work in because of the great diversity of cultures and professional backgrounds. "The most rewarding aspect of my work is being able to meet with people at the grassroots and learning from them."

What does she do after office hours?

"Unfortunately, I continue working because I am such a workaholic. However, I hope that being in the Philippines will detract me from working long hours because of all the wonderful new places for me to explore, people to meet, and all the shopping malls to see," she relates. Mary likes to collect antiques, paintings, ethnic weavings and shawls.

She has a Ph.D. in Economic Anthropology from the University of California at Berkeley, USA.



MIRIAM PAHM
Project Coordinator for Mindanao /
National Mindanao Specialist

"I need to be able to communicate through the assistance provided by the Bank in Mindanao, that the Bank means development, not debts; that the Bank is not about buildings, but about building peaceful, self-reliant communities."

Miriam Pahm joined the Environment and Social Unit of the World Bank Office Manila on August 5, 2002 as the National Mindanao

Specialist or Project Officer for Mindanao. She will provide support to Bank task teams working on Mindanao, including the ARMM Social Fund Project. She will also liaise with the government and ARMM stakeholders, support donor coordination, and contribute to the Bank's knowledge management activities related to Mindanao.

Before joining the Bank, Miriam was the Director of the Promotions and Outreach Department of the SZOPAD Social Fund for three years. The SZOPAD Social Fund is a Bank-assisted project for conflict affected communities in 14 provinces and 9 cities in Mindanao.

She also headed the Project Management Unit of the South Cotabato / Sarangani / General Santos City (SOCSARGEN) Area Development Project for four years. This was an USAID-assisted project which built major infrastructure including roads, airport, sea and fishports and other facilities in SOCSARGEN.

"Working for the Bank gives me an entirely

new perspective, a feeling of being on the outside looking in on my own country, on Mindanao. And this time, with a much clearer view," she says. "The job is very challenging because I need to be able to communicate through the assistance provided by the Bank in Mindanao, that the Bank means development, not debts; that the Bank is not about buildings, but about building peaceful, self-reliant communities."

She continues: "The job is especially meaningful to me because I am from Mindanao and I have seen the face of war in the conflict-affected communities I have worked with. For me, working for the Bank is not just another prestigious job, but an opportunity to make a difference."

Miriam likes reading books and listening to music. "I have no skills for ballgames, so I go for ballroom dancing," she says.

She has a Ph.D. in Agronomy from Cornell University, USA and an MS in Microbiology from the University of the Philippines at Los Baños, Laguna.

**FE TIMONERA**

Financial Management Specialist

"The most satisfying part of my job is that at the end of the day, the results of what I do will touch the lives of many people."

Fe Timonera had been a consultant to the Bank for two years before she joined the Bank full-time in November 2001 as a financial management specialist. At the Manila office, she performs two functions—as a disbursement officer and as a financial management specialist for Bank-assisted projects.

A certified public accountant with an MBA degree, Fe has 25 years of experience in financial management, auditing, and management consultancy. Before she and her husband—an electrical engineer—formed a small management consultancy firm, she was a partner in Fernandez, Santos & Lopez for three years and had worked with Price Waterhouse for 10 years.

She said she joined the Bank because "the Bank is the Bank, where I will be both professionally and financially satisfied." She adds "I work long hours and get to manage my own activities as I am held accountable for my output."

"But the most satisfying part of my job is that at the end of the day, the results of what I do will touch the lives of many people," she emphasizes.

To prepare herself for a stressful day at the Bank, where she spends more than nine hours each day, five days a week, Fe works out at the gym for an hour, at least three times a week.

After office, she goes straight home to San Pedro, Laguna, where her seven-year-old son, her youngest, waits for her for some tutorials. She also has a 20-year-old son and a 13-year-old daughter. "After office and during weekends, I'm a full-time wife and mother. I cook. I go to the market. I enjoy the company of my family."



Seminar on KDC & Depository Libraries



A three-day seminar-workshop for librarians of the World Bank's Knowledge for Development Centers (KDC) and depository libraries in the Philippines was held on September 9-11, 2002. It was attended by 28 participants from the Bank's 10 KDCs and depository libraries all over the country.

The seminar-workshop aimed to inform the participants and establish the Bank's knowledge sharing network in the country. It also helped understand its role in reducing poverty and contribution to knowledge sharing.

During the seminar, the participants learned the role of KDCs and depository libraries in the Bank's knowledge sharing efforts and gained practical knowledge on the management of KDCs and depository libraries. The participants also acquainted themselves on the Bank's program of assistance in the Philippines.

The participants are expected to help clients on their information needs through the KDCs and depository libraries that they manage.

For its part, the Bank will continue to support and develop depository library projects, provide more training for librarians on KDC management, update depository libraries with new developments related to WB

information management, and provide linkages to all depository libraries.

Meanwhile, the universities will help promote the Bank's knowledge sharing efforts by holding forums on the role of KDCs and depository libraries.

The speakers during the seminar-workshop included WB Senior Public Information Officer Veronique Danforth, Dean Josie Sison of the UP Institute of Library Science, WB Economist Rajashree Paralkar, External Relations Officer Leonora Gonzales, and Public Information Assistant Charito Sanalila. Country Director Robert Vance Pulley welcomed the participants.





World Development Report 2003: Sustainable Development in a Dynamic World

August 2002
250 pages

The report explains that misguided policies and weak governance in the past decades have contributed to environmental disasters, income inequality, and social upheaval in some countries, often resulting in deep deprivation, riots, refugees fleeing famine or civil wars

It continues "Many poor people depend on fragile natural resources to survive. Similarly, trust between individuals, which can be eroded or destroyed by civil unrest, is a social asset with important economic benefits. It enables people to make agreements and undertake transactions that would otherwise not be possible. Development policies need to be more sharply focused on protecting these natural and social assets."

Thus, the WDR 2003 suggests new alliances at the local, national, and global levels to address these problems. "The burden for development must be shared more widely. Rich countries must further open their markets and cut agricultural subsidies that depress incomes of Third World farmers, and they must increase the flow of aid, medicines, and new technologies to developing countries."

The report adds that in turn, the developing countries must become more accountable and transparent and ensure that poor people can

obtain secure land tenure, as well as access to education, health care, and other basic services.

The report stresses that the burden of guaranteeing sustainable development must be shared locally, nationally, and globally, thus.

- Developing countries need to promote participation and substantive democracy, inclusiveness and transparency as they build the institutions needed to manage their resources

- Rich countries need to increase aid, cut poor country debts, open their markets to exporters in developing countries, and help transfer technologies needed to prevent diseases, increase energy efficiency, and boost agricultural productivity.

- Civil society can contribute by serving as a voice for dispersed interests and provide independent verification of public, private and non-governmental performance

- Private firms can contribute by committing themselves to sustain their daily operations and create incentives to pursue their interests while advancing environmental and social objectives.



The governments of rich and developing countries should act now to avert a growing risk of severe damage to the environment and profound social unrest if they want the global economy grow four times in the next 50 years, according to the World Development Report 2003 (WDR 2003)

"The key is to act now to initiate virtuous rather than vicious cycles – to create constituencies for sustainability...Much will be possible if we plant now the seeds of adaptive, durable institutions that respond to the interests of all citizens," the report stresses

The report estimates that by 2050 the world's gross domestic product will reach US\$140 trillion and its population will increase to 9 billion. "Without better policies and institutions social and environmental strains may derail development progress, leading to higher poverty levels and a decline in the quality of life for everybody," it emphasizes

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