



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
MINDANAO TRUST FUND-RECONSTRUCTION AND DEVELOPMENT PROJECT PHASE II  
APPROVED ON APRIL 4, 2018  
TO  
COMMUNITY AND FAMILY SERVICES INTERNATIONAL

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE

EAST ASIA AND PACIFIC

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**ABBREVIATIONS AND ACRONYMS**

ALS	Alternative Learning System
ARMM	Autonomous Region in Muslim Mindanao
BBL	Bangsamoro Basic Law
BDA	Bangsamoro Development Agency
CAB	Comprehensive Agreement on the Bangsamoro
CDD	Community-Driven Development
CDR	Community-Driven Reconstruction
CFSI	Community and Family Services International
CMO	Central Management Office (of BDA)
CPS	Country Partnership Strategy
CPST	Camp Project Support Team
GA	Grant Agreement
GPH	Government of the Philippines
IDP	Internally Displaced Persons
IP	Indigenous Peoples
ISM	Implementation Support Mission
JTFCT	Joint Tasks Forces on Camps Transformation
MILF	Moro Islamic Liberation Front
MTF	Mindanao Trust Fund
MTF-RDP	Mindanao Trust Fund-Reconstruction and Development Project
PO	Peoples Organization
PPA	Program Partnership Agreement



## BASIC DATA

### Product Information

Project ID P164019	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 04-Apr-2018	Current Closing Date 28-Feb-2019

### Organizations

Borrower Community and Family Services International	Responsible Agency Community Family and Services International
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### Financing (in USD Million)

## SUMMARY

Total Project Cost	3.20
Total Financing	0.00
Financing Gap	0.00

## DETAILS

### Project Development Objective (PDO)

Original PDO

The development objective of the proposed project is to improve access of targeted communities in conflict-affected areas in Mindanao to basic socio-economic infrastructure and alternative learning system.



**Summary Status of Financing**

TF	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A7280	10-Apr-2018	10-Apr-2018	10-Apr-2018	28-Feb-2019	2.65	2.11	.54
TF-A7281	10-Apr-2018	10-Apr-2018	10-Apr-2018	28-Feb-2019	.55	0	.55

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

- a) **Implementation is on Track.** Project implementation is generally on track meeting most PDO and intermediate indicators but slightly delayed. Project systems such as procurement and financial management are in place and functioning satisfactorily, and there are no outstanding FM reports. Safeguards supervision is ongoing, but more training and field coaching are being delivered to improve compliance further. The monitoring and evaluation system has been established and is being strengthened at the camps level through the use of information and communication technology such as tablets with monitoring forms.
- b) To-date the project has trained 741 community volunteers (of which 365 women) to assist with implementation. The project has also trained 101 BDA, camp JTFCT and CPST members exceeding the final target of 72 people trained. They are assisting with organizing community volunteers and community consultations to identify, validate and implement subprojects.
- c) On civil works components, 22 infrastructure subprojects have ongoing construction. Once completed and operational, these projects are expected to benefit 27,652 community members, meeting the final target. On Alternative Learning System, 1,885 beneficiaries are enrolled (vs. 1,100 target) and they are expected to show improved literacy after taking the post-test on the third week of February.
- d) **Progress toward meeting the PDO.** For PDO (a) on improving access of targeted communities to basic socio-economic infrastructure, so far, a total of 22 subprojects have been prepared with the input of the beneficiary communities and are under construction. Once completed and operational, these projects are expected to benefit 27,652 community members. The subprojects represent the following sectors: nine are for potable water systems; nine are for road and bridge construction, seven are for harvesting facilities, and one each for solar lighting and a meeting hall. In the first phase of MTF-RDP, more than 50% of respondents reported that access to services improved in terms of distance and cost, 38% considered their economic condition had improved compared to a year ago, and beneficiaries of water system subprojects and road and bridge subprojects reported improved access, with 67% and 87%, respectively.
- e) For PDO (b) on improving access to the alternative learning systems (ALS), to-date the number of people with improved literacy is 1,885 compared to the target of 1,100. The increase in enrollees in the ALS stems from the government policy of open enrollment on the one hand, and the enthusiasm of learners - adult and young learners alike - to be part of the program, on the other hand. The total number of women beneficiaries is 917, well exceeding the target of 550, and constitutes 52% of the total ALS beneficiaries. Classes are ongoing with post-test scheduled on the third week of February 2019 while accreditation and equivalency testing will take place in March 2019.
- f) **Rationale for Restructuring.** This level 2 restructuring seeks for a six-month extension of the grant closing date of the MTF-RDP II from February 28, 2019 to August 31, 2019. The Project was designed with a very tight implementation period (April 2018-February 2019) because the Mindanao Trust Fund (TF054035) and the Multi Donor Trust Fund for the Republic of the Philippines' Mindanao Reconstruction and Development Program (TF072854) are closing in June 2019. While it might be possible to meet most targets by the grant closing date, the experience in Phase 1 would suggest otherwise. In the 19th Steering Committee meeting on May 9, 2018, the government (GPH) requested a two-year extension of the multi-donor trust funds, and the request for extension was approved with a new final date of June 30, 2021 for both trust funds.



g) Most subprojects are expected to be completed by February 28, 2019, but six of them are likely to require additional time for several reasons: (1) the need to rebid some sub-projects due to failure in getting qualified bids (encouraging contractors has been a challenge in this Project); (2) sensitivities in one sub-project leading to its cancellation; (3) the campaign processes and security issues associated with the plebiscites for the Bangsamoro Organic Law (BOL) that took place on January 21 and February 6, 2019; and (4) the many demands on the time and attention of key project staff and stakeholders for the transitions associated with the peace process which the principals from both the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF) fully support. In addition, the extension period will provide ample time for the Project to complete 10 subprojects from the first phase of MTF-RDP. As agreed in the First Implementation Support Mission (ISM), the technical proposals for these 10 subprojects have been prepared and can immediately be procured as soon as the extension is granted. The completion of these subprojects is expected to enhance the achievement of the PDO as they are expected to benefit an additional 12,000 community members. The extension will also be used to conduct a beneficiary survey and subproject sustainability training such as subproject operation and maintenance training and strengthening of people’s organizations. The implementing partners (CFSI and BDA) and the Bank are confident that the remaining works can be completed within the extension of six months. CFSI and BDA have developed measures to address procurement challenges, such as direct selection of good performing contractors for the 10 uncompleted subprojects under Phase 1 given the difficult location of subproject sites and a dearth of good performing contractors in the region. This is the first extension, and all audits are up to date and have unqualified opinions. All legal covenants are satisfactorily complied with.

## II. DESCRIPTION OF PROPOSED CHANGES

g) This Level 2 restructuring proposes the following change:

- 1) Six-month closing date extension, from February 28, 2019 to August 31, 2019, to complete the remaining uncompleted subprojects under Phase 2, complete uncompleted subprojects under Phase 1, undertake beneficiary survey, conduct subproject sustainability training such as subproject operation and maintenance training and strengthen people’s organizations.
- 2) Change in implementation schedule, with implementation and completion activities extending up to the first two month of FY 2020.
- 3) Change in Disbursement Estimates

## III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	



Implementing Agency		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

**IV. DETAILED CHANGE(S)**

**LOAN CLOSING DATE(S)**

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-A7280	Effective	28-Feb-2019		31-Aug-2019	31-Dec-2019
TF-A7281	Effective	28-Feb-2019		31-Aug-2019	31-Dec-2019

**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

Year	Current	Proposed
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## The World Bank

Mindanao Trust Fund-Reconstruction and Development Project Phase II (P164019)

2018	2,667,882.00	1,097,383.00
2019	532,118.00	2,102,617.00
2020	0.00	0.00

**Note to Task Teams:** End of system generated content, document is editable from here.