

# Project Administration Manual

Project Number: 52257-001  
Loan Number: XXXX  
May 2020

Republic of the Philippines: Expanded Social  
Assistance Project

## ABBREVIATIONS

4Ps	–	Pantawid Pamilyang Pilipino Program
ADB	–	Asian Development Bank
CCT	–	conditional cash transfer
CFDS	–	community and family development session
COA	–	Commission on Audit
CVS	–	compliance verification system
DBM	–	Department of Budget and Management
DepEd	–	Department of Education
DMF	–	design and monitoring framework
DOH	–	Department of Health
DOF	–	Department of Finance
ESAP	–	Expanded Social Assistance Project
FDS	–	family development session
FMA	–	financial management assessment
FMS	–	financial management service
FMS-LFP	–	FMS for Locally-funded Programs
FMS-SP	–	FMS for Special Projects
FO	–	field office
GAP	–	Gender Action Plan
GIDA	–	geographically isolated and disadvantaged area
GRS	–	grievance redress system
ICT	–	information and communications technology
IP	–	indigenous Peoples
IPP	–	Indigenous Peoples Plan
IT	–	information technology
ICTMS	–	information and communication technology management service
IRR	–	implementing rules and regulations
LBP	–	Land Bank of the Philippines
LIS	–	learner information system
MIS	–	management information system
M&E	–	monitoring and evaluation
NAC	–	National Advisory Council
NEDA	–	National Economic and Development Authority
NHTS-PR	–	National Household Targeting System for Poverty Reduction
NPMO	–	National Program Management Office
PAM	–	Project Administration Manual
PDP	–	Philippine Development Plan
PIDS	–	Philippine Institute for Development Studies
PMED	–	Planning Monitoring and Evaluation Division
PPIS	–	Pantawid Pamilya Information System
RPMO	–	Regional Program Management Office
RRP	–	report and recommendation of the President
SCS	–	stakeholder communications strategy
SMD	–	Social Marketing Division
SOE	–	statement of expenditure
SPS	–	Safeguard Policy Statement
SPSP	–	Social Protection Support Project

TA	–	technical assistance
TVET	–	Technical and Vocational Education and Training
TWG	–	technical working group
WB	–	World Bank
YDS	–	youth development Session



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### **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Department of Social Welfare and Development (DSWD) is wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by DSWD of its obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendation of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.





## I. PROJECT DESCRIPTION

1. The Expanded Social Assistance Project (ESAP) will support the Government of the Philippines' Pantawid Pamilyang Pilipino Program (4Ps) by financing a portion of the education and health conditional cash transfers (CCTs) provided to poor households; strengthening compliance verification, payroll, and grievance redress systems of the Department of Social Welfare and Development (DSWD); building linkages with complementary social programs; and improving project management, monitoring, and impact evaluation. The ESAP will build on the ongoing support of the Asian Development Bank (ADB) for the 4Ps since 2010, totaling \$800 million in the aggregate.<sup>1</sup> It will support the DSWD in fulfilling its vision of "all Filipinos free from hunger and poverty, having equal access to opportunities, enabled by a fair, just, and peaceful society."<sup>2</sup> While ESAP had been planned as part of the Country Partnership Strategy 2018-2023 and the Country Operations Business Plan for 2020, well before the Philippines was hit by the coronavirus disease (COVID-19), it will benefit the poor and vulnerable households even more in the post COVID-19 situation given the significant adverse health, social, and economic impact of the pandemic.<sup>3</sup>

2. The ESAP is aligned with the following impact: a universal and transformative social protection system that builds socioeconomic resilience.<sup>4</sup> The project will have the following outcome: education and health profile of the children of 4Ps households improved. The ESAP will achieve this outcome by supporting the following output:

3. **Conditional cash transfers delivered effectively and on time.** The project will finance a share of the CCT grants to 414 poor households with children aged 0-18 and/or pregnant women. Effective December 2019, 4Ps households will receive grants at the higher rates specified in the new 4Ps law.<sup>5</sup> By 2022, the DSWD is expected to transition to the Listahanan 3 to identify eligible households.

4. The entire \$500 million loan proceeds of the project will be used for the above output. To ensure that cash grants for the eligible poor households are transferred in a targeted, efficient, and timely manner, ADB will provide the following support through the ongoing Strengthening Social Protection Reforms technical assistance facility:<sup>6</sup>

i. **CCT delivery systems strengthened (supported by the TA facility).** During each payout period, the DSWD staff coordinate with 84,007 education facilities and 23,607 local

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<sup>1</sup> ADB. 2010. [Republic of the Philippines: Social Protection Support Project](#). Manila; ADB. 2015. [Republic of the Philippines: Social Protection Support Project \(Additional Financing\)](#). Manila.

<sup>2</sup> [Department of Social Welfare and Development](#).

<sup>3</sup> ADB's support for unconditional cash transfers through a loan of \$200 million was approved on 27 April 2020 (ADB. 2020. *Republic of the Philippines: Proposed Emergency Assistance Loan for Second Additional Financing Social Protection Support Project*). ADB's countercyclical support for COVID-19 in the amount of \$1.5 billion was approved on 23 April 2020 ADB's COVID-19 countercyclical support facility loan (ADB. 2020. *Republic of the Philippines: COVID-19 Active Response and Expenditure Support Program*).

<sup>4</sup> Government of the Philippines, National Economic and Development Authority. 2017. *Philippine Development Plan 2017-2022*. Pasig City.

<sup>5</sup> From December 2019, the health and nutrition grants have been increased from ₱500 to ₱750 per month for 12 months. The education grant per child (for a maximum of 10 months per year) enrolled in day care and elementary programs will remain at ₱300 per month. The grant for junior high school students has been increased from ₱300 to ₱500 per month, and that for senior high school students has been increased from ₱500 to ₱700 per month.

<sup>6</sup> The TA, *Strengthening Social Protection Reforms*, in the amount of \$1 million was attached to the [Social Protection Support Project-Additional Financing](#) which was approved in 2016. This was converted into a transaction TA facility (with the same name) in November 2018, with additional funding of \$1 million to support the design and implementation of the ESAP.

health facilities to verify compliance with the conditionalities. To improve coordination with multiple agencies, ADB will help the DSWD to (a) prepare roadmaps for IT-reforms to improve business processes and streamline compliance verification, beneficiary data, payroll, and grievance redress systems; (b) upgrade the DSWD's Pantawid Pamilya Information System (PPIS) and link it to the Department of Education's (DepEd) Learner Information System (LIS)<sup>7</sup> and the Department of Health's (DOH) Integrated Clinic Information System (i-ClinicSys)<sup>8</sup> to do the same for health-related compliance data; and (c) explore innovative technology solutions for government-to-person payments to support financial inclusion.

ii. **Awareness building, connections with complementary social programs, project management and evaluation capacity strengthened (supported by the TA facility).**

- a) **Family development session (FDS) and youth development session (YDS) modules updated.** Assistance will be provided to review and improve the FDS Manual and selected modules (e.g., sanitation and hygiene, teenage pregnancy, drugs, livelihood, and disaster resilience), incorporate gender and cultural sensitivity in the learning material, and translate the updated FDS Manual into three local languages (Filipino, Ilocano, Bisaya). The design of information, education and communication (IEC) material will be improved to raise awareness and outreach. To ensure effective delivery of the new FDS material, ADB will support training of facilitators. Assistance will be provided to complete six volumes of YDS modules.<sup>9</sup>
- b) **Innovative “graduation” approaches developed.** Since 2016, ADB has been undertaking a graduation pilot<sup>10</sup> with the Department of Labor and Employment, targeting 1,800 beneficiaries of 4Ps in 32 barangays across 5 municipalities in Negros Occidental province. Based on this pilot, ADB will help the DSWD design and administer sequenced and time-bound interventions to help up to 3,000 4Ps households in selected sites from regions I, VI, X, and XII “graduate” out of poverty through sustainable livelihood assistance. This will form part of the DSWD's COVID-19 recovery program.
- c) **Project management and evaluation capacity strengthened.** Support will be provided to strengthen the DSWD's project and financial management capacity. A 4Ps knowledge center will be supported to document and share implementation experience. ADB will provide inputs for the design of the fourth impact evaluation scheduled in 2021-2023.

<sup>7</sup> LIS is the national online registry of all students who are enrolled in schools (public and private) offering Kindergarten to Grade 12. LIS, which is being managed by DepEd, includes information on personal data, enrolment history and identifies students who are 4Ps beneficiaries.

<sup>8</sup> i-ClinicSys is an electronic medical record and health information system to support the functions of primary care facilities and barangay health stations. It automates service delivery processes to monitor patient care efficiently.

<sup>9</sup> Assessment of Family Development Sessions and Youth Development Sessions (Summary) (accessible from the linked documents in Appendix 2).

<sup>10</sup> The four foundational graduation pillars include social protection to provide immediate relief for basic needs, social empowerment to promote inclusion and behavioral change, financial inclusion to provide income management and increase savings, and localized livelihood promotion to develop productive income-generating activities.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Expanded Social Assistance Project**

Indicative Activities	Months						Responsible Individual/Unit/Agency/ Government
	1	2	3	4	5	6	
Government budget inclusion	X						DSWD/DBM
ADB Board approval				X			ADB
Loan signing					X		ADB/DOF
Government legal opinion provided					X		GOP
Retroactive financing actions						X	DSWD/ADB
Loan effectiveness						X	ADB/GOP

ADB = Asian Development Bank, DBM = Department of Budget and Management, DOF = Department of Finance, DSWD = Department of Social Welfare and Development, GOP = Government of the Philippines.

Source: ADB.

## B. Overall Project Implementation Plan

**Table 2: Project Implementation Plan**

Indicative Activities	2020	2021				2022				2023				2024			
	Q2-Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Outputs</b>																	
<b>Output 1: CCTs delivered effectively and on time</b>																	
1.1 Verify new household registry based on Listahanan 3 and integrate into PPIS by Q2 2021																	
1.2 Identify, enroll, and distribute cash cards to new beneficiaries from Q2 2021.																	
1.3 Prepare and transmit beneficiary payrolls to LBP for every pay period from Q2 2020																	
<b>Output 2: CCT delivery systems strengthened (under TA facility)</b>																	
2.1 Sign agreements with partner agencies (DepEd, DOH, PSA) for data sharing by Q2 2020																	
2.1 Design IT reforms roadmap to streamline business processes and upgrade program systems covering registry, beneficiary update, compliance verification, grievance and payment by Q1 2021																	
2.3 Integrate PPIS with DepEd LIS and DOH I-Clinic system by Q3 2021																	
2.4 Prepare new modules for FDS and youth development sessions by Q4 2021																	
<b>Output 3: Awareness building, connections with complementary social programs, project management, and evaluation capacity strengthened</b>																	
3.1 Update gender-responsive and culturally sensitive training materials and methodologies for FDSs and youth development sessions (by Q2 2021).																	
3.2 Provide inputs for the design of the fourth impact evaluation Q4 2020.																	
3.3 Develop options for graduation strategy through livelihood, TVET, and other interventions Q4 2020																	
<b>Management Activities</b>																	
Indigenous Peoples plan key activities																	
Gender action plan key activities																	
Communication strategy key activities																	
Semi-annual and/or midterm review																	
Project completion report (borrower's)																	

4Ps = Pantawid Pamilyang Pilipino Program, BUS = Beneficiary Updating System, CCT = conditional cash transfer, CVS = Compliance Verification System, DepEd = Department of Education, DOH = Department of Health, FDS = Family Development Sessions, GRS = grievance redress system, ICT = Information and Communications Technology, LBP = Land Bank of the Philippines, LIS = Learner Information System, MIS = Management Information System, PPIS = Pantawid Pamilya Information System, PSA = Philippine Statistics Authority, Q = quarter, TA = technical assistance, TVET = Technical and Vocational Educational and Training, YDS = Youth Development Sessions.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations: Roles and Responsibilities

5. DSWD will be the executing agency for ESAP. It will continue to have overall responsibility in executing the 4Ps under Republic Act 11310 or the Pantawid Pamilyang Pilipino Program Act signed on 17 April 2019, its subsequent implementing rules and regulations (IRR), and the program's supporting policies, plans and activities. It will be accountable for the use of the loan funds. DSWD's Executive Committee, chaired by the Secretary, will have oversight function over 4Ps and ESAP. Table 3 indicates the roles and responsibilities of the executing agency and ADB. Figure 1 shows the 4Ps management structure. The detailed management structure down to the provincial operations office (including city and municipal clusters and links) are detailed in the 4Ps operations manual, and updated from time to time.

**Table 3: Roles and Responsibilities**

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency	Department of Social Welfare and Development <ul style="list-style-type: none"> <li>▪ Administer the project as the executing agency of the ADB loan;</li> <li>▪ Directly manage and supervise the implementation of the project;</li> <li>▪ Oversee and coordinate the implementation and M&amp;E of the program;</li> <li>▪ Chair the National Advisory Council;</li> <li>▪ Conduct assessment of the supply side of health and education services together with partner agencies;</li> <li>▪ Forge agreements with the local government units to ensure availability on the supply side;</li> <li>▪ Provide technical assistance to the overall program operations at the regional, provincial, and city/municipal levels;</li> <li>▪ Serve as repository of program information and data;</li> <li>▪ Mobilize, manage, and account for all program funds and resources;</li> <li>▪ Coordinate and collaborate with development partners to augment logistics in program implementation;</li> <li>▪ Develop and continuously update the 4Ps Operations Manual to guide all business processes;</li> <li>▪ Monitor and evaluate project implementation progress including time bound action plans;</li> <li>▪ Maintain project books and accounts and manage financial reporting and accountability aspects (withdrawal applications, financial statements and reports, bank account statements, etc.);</li> <li>▪ Fulfill government fiduciary and financial management oversight for fund flows; and</li> <li>▪ Submit withdrawal applications through the Department of Finance retaining original supporting documents), and any reporting requirements including the bi-annual internal audit reports for the program and annual project audit opinion on the project financial statements and audit opinion on use of loan proceeds for its intended purpose.</li> </ul>
ADB	<ul style="list-style-type: none"> <li>▪ Provide support and supervise implementation, and ensure compliance with the loan agreement;</li> <li>▪ Ensure project achieves expected outputs and outcomes;</li> <li>▪ Ensure compliance with good governance, social safeguards, and anti-corruption measures; and</li> <li>▪ Demand-driven policy and advisory and capacity development technical assistance.</li> </ul>

4Ps = Pantawid Pamilyang Pilipino Program, ADB = Asian Development Bank, M&E = monitoring and evaluation.

Source: ADB.

6. **National Advisory Council.** The 4Ps law provides for the creation of a National Advisory Council (NAC) to allow effective coordination among concerned government agencies and to jointly address issues on program implementation. Headed by 4Ps National Project Director, NAC comprises representatives from DOH, DepEd, Department of Agriculture, Department of Labor

and Employment, Department of Trade and Industry, Department of Agrarian Reform, Department of Science and Technology, and Technical Education and Skills Development Authority.

7. The NAC will provide guidance for responsive delivery of the program's commitments under the 4Ps law and integration of the general poverty reduction strategy of the government. It will likewise enable supporting mechanisms for effective coordination of social services delivery for program beneficiaries and complementary social programs such as livelihood, training, and employment facilitation programs.<sup>11</sup> The advisory council is replicated at the regional and local government levels. The Regional Advisory Councils involve regional officials and provincial representatives of NAC member agencies. Each 4Ps local government has a City/Municipal Advisory Council, chaired by the local chief executive, comprising relevant city/municipal-level staff and representatives of NAC member agencies.

8. **National Program Management Office.** The 4Ps National Program Management Office (NPMO) and its 17 regional program management offices (RPMOs) are the implementing units, which will be guided by a high-level inter-agency NAC with support from a technical working group. Figure 1 show the 4Ps management structure. Established in 2018, the NPMO has 13,824 approved positions (as of April 2019). An Undersecretary serves as the National Project Director of 4Ps and is accountable for the management of project implementation activities. A senior executive of DSWD is designated as National Deputy Project Director. A full-time national program manager heads and manages the day to day operations of NPMO, together with deputy program managers for operations and support.

9. The 4Ps NPMO comprises twelve divisions classified into two clusters — Operations and Support. Each cluster is led by a senior executive of DSWD designated as deputy program managers. The Operations Cluster has seven divisions, namely: Beneficiary Data Management Division, Compliance Verification Division, Grievance Redress Division (GRD), Institutional Partnership Division, Modified Conditional Cash Transfer Division, and Social Marketing Division (SMD). The Support Cluster has four divisions, namely: Administrative Support Division, Capacity Building Division, Family Development Division, and Planning Monitoring and Evaluation Division. There is Risk Management and Quality Assurance Division directly under the support cluster. Table 4 indicates the roles and responsibilities of each division.

**Table 4: NPMO Divisions**

4Ps Division	Roles and Responsibilities
Beneficiary Data Management Division (BDMD)	<ul style="list-style-type: none"> <li>• Maintains the beneficiary data management system of Pantawid Pamilyang Pilipino Program (4Ps) to process, review, and approve registration and updates of household beneficiaries.</li> <li>• Tracks household data to ensure/monitor the beneficiaries' continued eligibility in the program.</li> <li>• Provides technical assistance on Beneficiary Registration and Updating System at the regional level such as monitoring, maintenance, and use of beneficiary data.</li> </ul>
Compliance Verification Division (CVD)	<ul style="list-style-type: none"> <li>• Manages compliance verification system (CVS) that monitors and records the compliance of beneficiaries with the program conditions applicable to their household.</li> <li>• Processes compliance data and used as basis for cash grant payment.</li> <li>• Implements the program's compliance monitoring procedures and mechanism, and develops guidelines to ensure timely and accurate compliance results.</li> <li>• Engages with partner agencies in facilitating compliance verification.</li> </ul>

<sup>11</sup> This includes strengthening linkages with key agencies to support continuing access to human capital development such as DepEd, assistance for tertiary education of the Commission on Higher Education and Technical Education and Skills Development Authority.

4Ps Division	Roles and Responsibilities
	<ul style="list-style-type: none"> <li>• Tracks noncompliant households and determines reasons of noncompliance and interventions provided</li> </ul>
Family Development Division (FDD)	<ul style="list-style-type: none"> <li>• Monitors the conduct of family/youth development sessions and application of session learnings</li> </ul>
Gender and Development Division (GADD)	<ul style="list-style-type: none"> <li>• Increases the capacity of program implementers to do gender analysis and gender mainstreaming by providing them ladderized gender and development capability building program.</li> <li>• Works with government and non-government partners to create a multiplier effect in propagating the advocacy of women empowerment and gender equality.</li> <li>• Endeavors to transform unequal gender relations through strengthening the impact of the family development sessions, , youth development sessions and other relevant activities.</li> <li>• It serves as a special consultative division of the National Program Management Office, and acts as technical specialist to ensure that the activities, trainings, programs, and operational procedures and mechanics of 4Ps are gender-sensitive.</li> </ul>
Grievance Redress Division (GRD)	<ul style="list-style-type: none"> <li>• Facilitates resolutions of grievances of household beneficiaries and the community at all levels of implementation.</li> <li>• Prepares detailed guidelines and instructions for workers responding to grievances on the program.</li> <li>• Ensures the functionality of grievance committees at the national, regional, and provincial levels, including the provision of technical assistance and monitoring of field implementation of the grievance redress system.</li> </ul>
Institutional Partnership Division (IPD)	<ul style="list-style-type: none"> <li>• Assesses the existing health and education systems in the country and coordinates with key partners of the program – the Department of Health and Department of Education, and the local government units – to address the issues and gaps on the program’s supply side.</li> <li>• Engages partner agencies and other stakeholders for resource augmentation and technical support for the program.</li> <li>• Acts as the technical arm of NPMO in establishing program network with international and local welfare agencies and donors including government agencies.</li> <li>• Steers the convergence of other stakeholders’ resources and support services for the benefit of 4Ps beneficiaries and their household members.</li> </ul>
Modified Conditional Cash Transfer Division (MCCTD)	<ul style="list-style-type: none"> <li>• Implements the conditional cash transfer (CCT) program to other poor, vulnerable, and disadvantaged families who are eligible for the program, such as homeless families, itinerant indigenous peoples and indigenous peoples in geographically isolated and disadvantaged area.</li> <li>• Serves as the bridging intervention to assist (i) homeless street families who are living and working on the street without permanent abode and the itinerant Indigenous Peoples; (ii) Indigenous Peoples in Geographically Isolated and Disadvantaged Area and Families in Need of Special Protection who are disaster-stricken families; and (iii) other vulnerable groups under hazardous and disabling working conditions towards their possible mainstreaming into the regular CCT program.</li> <li>• Gives technical assistance to regional offices, and monitors the indigenous peoples component of the program.</li> </ul>

4Ps Division	Roles and Responsibilities
Social Marketing Division (SMD)	<ul style="list-style-type: none"> <li>• Develops and implements social marketing activities of 4Ps.</li> <li>• Uses social marketing as an approach to promote the program and its goals, influence its beneficiaries to value health and education through complying with the program conditions, and communicate the positive changes in their lives to gain political and social acceptance.</li> </ul>
Administrative Support Division (ASD)	<ul style="list-style-type: none"> <li>• Provides, maintains, and manages the logistical requirements for the implementation of the program.</li> <li>• Procures goods, services, and supplies needed by the NPMO and handles human resource and development; and management of records, property, communication and transportation.</li> </ul>
Capability Building Division (CBD)	<ul style="list-style-type: none"> <li>• Conducts capacity building activities to equip 4Ps staff and stakeholders with necessary knowledge, skills, and attitude needed in implementing the program.</li> <li>• Serves as the clearing house of knowledge management products of 4Ps.</li> </ul>
Planning Monitoring and Evaluation Division (PMED)	<ul style="list-style-type: none"> <li>• Leads in developing strategic plans to achieve 4Ps goals and implements its monitoring and evaluation mechanism.</li> <li>• Generates pertinent data usually for external use.</li> </ul>
Risk Management and Quality Assurance Division (RMQAD)	<ul style="list-style-type: none"> <li>• Leads the NPMO in identifying, assessing, characterizing, communicating, and responding to the different risks that may impede effective and efficient program implementation.</li> <li>• Ensures that the 4Ps is able to prevent or manage the impact of identified risks.</li> <li>• Perform quality assurance on critical program outputs to meet desired quality level based on standards provided by operational policies and guidelines.</li> </ul>

Source: 4Ps Operations Manual 2019.

10. **Regional Program Management Office.** The RPMOs are in-charge of regional implementation of 4Ps. RPMOs will provide support and technical supervision to ensure that all functions are carried out effectively and efficiently; they oversee the operations of field offices at the provincial level and field implementation at the city and municipal levels. The RPMOs are also responsible for program planning and report preparation of field operations, fund management,<sup>12</sup> approval of system inputs, internal/ external stakeholder support, monitoring of field operations, technical assistance, human resources and staffing, and policy recommendations.

11. The regional director of DSWD field office serves as the regional program manager of the RPMO. The Regional Deputy Program Manager (Assistant Regional Director for Operations) assists the Regional Director while the Regional Program Coordinator oversees the implementation of the program at the regional and provincial levels. Figure 2 shows the RPMO management structure.

12. **4Ps Operations Manual.** A comprehensive operation manual aligned with the 4Ps Act and its IRR will cover the program administration and implementation arrangements, organizational structure, fiduciary arrangements and internal controls, reporting and auditing requirements, monitoring and implementation reviews, and impact evaluation. DSWD's financial management systems for budgeting, accounting, financial reporting, internal controls, and auditing will be used in compliance with ADB's financial management requirements. DSWD's Financial Management Service (FMS) will prepare and execute the budget and expenditure plan for 4Ps. It will manage the utilization fund allocation at the national and regional level, as well as properly report and liquidate disbursements. The FMS Special Projects Division oversees 4Ps financial management arrangements and will link directly with the FMS.

<sup>12</sup> The RPMO manages the government's funds sub-allotted to them by the central office for implementation and operating activities only. No ADB funds will flow to the RPMO.



13. DSWD will ensure adequate fiduciary and internal controls by providing sufficient financial management staffing, training, appropriate systems and procedures, and maintaining financial records and reporting protocols. The ESAP will likewise support DSWD in its efforts to strengthen its institutional capacity to manage the program efficiently and effectively including beneficiary targeting and data management, systems improvement, streamlining compliance verification and business processes, efficient payment mechanism, strengthening ICT and areas inter-operability (intra- and inter-agency), effective contents and efficient delivery of capacity building for 4Ps beneficiaries (i.e., family development session and youth development session), social marketing, financial accountability, and robust monitoring and evaluation (M&E) activities.

## **B. Key Persons Involved in Implementation**

### **Executing Agency**

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and Development

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### **Asian Development Bank**

Human and Social Development  
Division

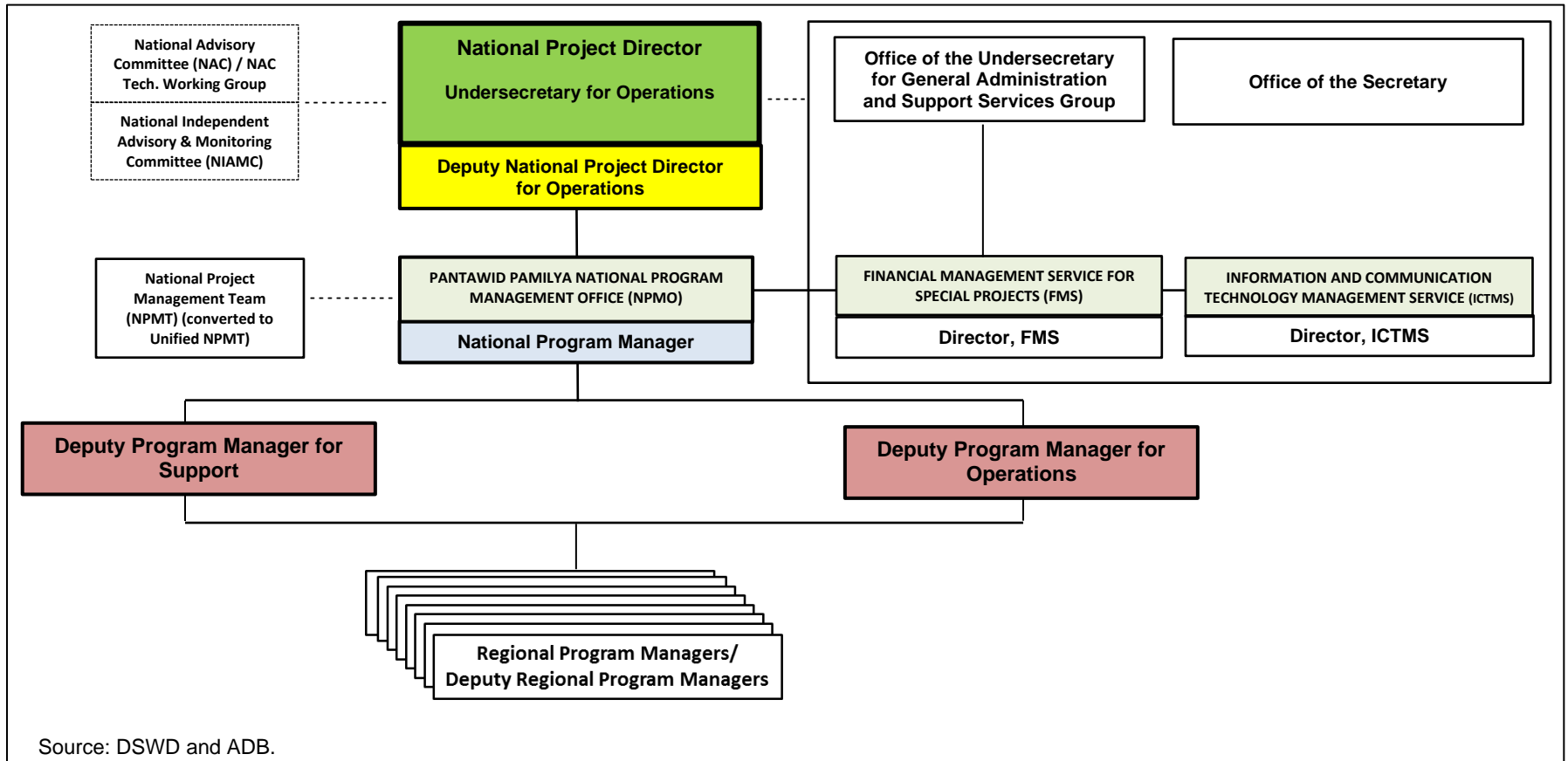
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C. Project Organization Structure

Figure 1: Pantawid Pamilyang Pilipino Program Management Structure





## IV. COSTS AND FINANCING

### A. Cost Estimates Preparation and Revisions

14. The 4Ps is estimated to cost \$8,306.6 million from 2020 to 2023 (Table 5). The government will finance \$7,506.6 million or 90.4% of the total to cover cash grants, salaries, capacity building, training, social marketing and advocacy, recurrent costs, bank fees, administrative costs, and M&E including spot checks. To support the 4Ps in 2020–2023, the World Bank has provided a loan of \$300 million as additional financing to its ongoing Second Social Welfare Development Reform Project, with extended implementation from 2020 to 2022.

**Table 5: Summary Cost Estimates**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A. Base Cost<sup>b</sup></b>	
Cash grants to qualified beneficiaries	7,611.7
Incremental operating cost	588.2
Monitoring and evaluation	61.4
<b>Subtotal (A)</b>	<b>8,261.3</b>
<b>B. Contingencies<sup>c</sup></b>	<b>10.0</b>
<b>C. Financial Charges During Implementation<sup>d</sup></b>	<b>35.3</b>
<b>Total (A+B+C)</b>	<b>8,306.6</b>

<sup>a</sup> Since 2017, 4Ps households have been receiving ₱600 per month as rice subsidies in addition to CCTs for health and education. The DSWD's Fund Category 101: Social Protection Support Program includes both rice subsidies and CCTs. Of the \$7.611 billion projected transfers for 4Ps households over the period January 2020 to December 2023, 31.3% will be for rice subsidies, and 68.7% will be for the education and health CCTs. The entire project loan of \$500 million will be used to finance CCTs for education and health. This will represent on average, about 9.56% of the government's spending on CCTs over the period January 2020 to December 2023. Actual disbursement by ADB in any single year may be more or less than 9.56%, depending on the government's borrowing requirements with respect to the CCTs. ADB will continue to support program activities through technical assistance. The government will finance taxes and duties.

<sup>b</sup> In mid-2019 prices as of August 2019.

<sup>c</sup> Physical contingencies computed at 5%. Price contingencies computed at 3% of cost items.

<sup>d</sup> Includes interest and commitment charges financed by the government. Commitment Charges for an ADB loan are 0.15% per year on undisbursed loan amount.

Source: Asian Development Bank estimates.

15. **Overall project financing.** The investment of \$500 million from ADB's ordinary capital resources has a 4-year implementation period. The loan will have a 29-year term including a grace period of 8 years; an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year and such other terms and conditions set forth in the loan agreement. Based on the straight-line method, the average maturity is 18.75 years. The applicable maturity premium is 0.20% payable to ADB.

**Table 6: Summary Financing Plan**

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (regular loan)	500.0	6.0 <sup>a</sup>
World Bank (loan) <sup>b</sup>	300.0	3.6
Government	7,506.6	90.4
<b>Total</b>	<b>8,306.6</b>	<b>100.0</b>

<sup>a</sup> Indicates the Asian Development Bank's share relative to total spending on the 4Ps (CCT for education and health, plus expenditure on rice subsidies).

<sup>b</sup> World Bank has approved an additional financing of \$300 million for Second Social Welfare and Development Reform Project and extended its implementation from 2020 to 2022. This provides parallel co-financing for 4Ps.

Source: Asian Development Bank.

## B. Key Assumptions

16. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: ₱51.97 = \$1.00 (as of 16 September 2019).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

**Table 7: Escalation Rates for Price Contingency Calculation**

Item	2019	2020	2021	2022	2023	Average
Domestic rate of price inflation	3%	3%	3%	3%	3%	3%

Source: Asian Development Bank.

## C. Allocation and Withdrawal of Loan Proceeds

**Table 8: Allocation and Withdrawal of Loan Proceeds**

Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from Loan Account
Conditional Cash Grants	500,000,000	100% of total expenditure claimed

ADB = Asian Development Bank.

Source: ADB.

## D. Detailed Cost Estimates by Financier

Table 9: Detailed Cost Estimates by Financier

Item	ADB		IBRD		Government		Total Cost
	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)
<b>A. Investment Costs</b>							
1. Conditional cash grants	500.00	6.57%	300.00	3.94%	6,811.72	89.49%	7,611.72
<b>Subtotal (A)</b>	<b>500.00</b>	<b>6.57%</b>	<b>300.00</b>	<b>3.94%</b>	<b>6,811.72</b>	<b>89.49%</b>	<b>7,611.72</b>
<b>B. Recurrent Costs</b>							
1. Personnel services	0.00	0.00%	0.00	0.00%	418.86	100%	418.86
2. Bank service fees	0.00	0.00%	0.00	0.00%	33.91	100%	33.91
3. Cost of service (salaries for job orders)	0.00	0.00%	0.00	0.00%	66.14	100%	66.14
4. Training	0.00	0.00%	0.00	0.00%	15.88	100%	15.88
5. Advocacy	0.00	0.00%	0.00	0.00%	2.12	100%	2.12
6. Administration costs	0.00	0.00%	0.00	0.00%	44.68	100%	44.68
7. Capital outlay	0.00	0.00%	0.00	0.00%	6.61	100%	6.61
8. Monitoring and evaluation	0.00	0.00%	0.00	0.00%	61.48	100%	61.48
<b>Subtotal (B)</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>649.68</b>	<b>100%</b>	<b>649.68</b>
<b>C. Contingencies</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>9.97</b>	<b>100%</b>	<b>9.97</b>
<b>D. Financial Charges During Implementation</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>35.28</b>	<b>100%</b>	<b>35.28</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>500.00</b>	<b>6.02%</b>	<b>300.00</b>	<b>3.61%</b>	<b>7,506.65</b>	<b>90.36%</b>	<b>8,306.65</b>
<b>% Total Project Cost</b>		<b>6.02%</b>		<b>3.61%</b>		<b>90.36%</b>	<b>100.00%</b>

ADB = Asian Development Bank, IBRD = International Bank for Reconstruction and Development.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank.

## E. Detailed Cost Estimates by Outputs

**Table 10: Detailed Cost Estimates by Outputs**  
(\$ million)

Item	Total Cost (\$ million)	Output <sup>a</sup>	
		Amount (\$ million)	% of Cost Category
<b>A. Investment Costs</b>			
1. Conditional cash grants	7,611.72	7,611.72	100.00%
<b>Subtotal (A)</b>	<b>7,611.72</b>	<b>7,611.72</b>	<b>100.00%</b>
<b>B. Recurrent Costs</b>			
1. Personnel services	418.86	418.86	100.00%
2. Bank service fees	33.91	33.91	100.00%
3. Cost of service (salaries for job orders)	66.14	66.14	100.00%
4. Training	15.88	15.88	100.00%
5. Advocacy	2.12	2.12	100.00%
6. Administration costs	44.68	44.68	100.00%
7. Capital outlay	6.61	6.61	100.00%
8. Monitoring and evaluation	61.48	61.48	100.00%
<b>Subtotal (B)</b>	<b>649.68</b>	<b>649.68</b>	<b>100.00%</b>
<b>C. Contingencies</b>			
<b>Subtotal (C)</b>	<b>9.97</b>	<b>9.97</b>	<b>100.00%</b>
<b>D. Financial Charges During Implementation</b>			
<b>Subtotal (D)</b>	<b>35.28</b>	<b>35.28</b>	<b>100.00%</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>8,306.65</b>	<b>8,306.65</b>	<b>100.00%</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> The Asian Development Bank has ongoing technical assistance to provide policy and advisory support to the Department of Social Welfare and Development and the Pantawid Pamilyang Pilipino Program.

Source: Asian Development Bank.

## F. Detailed Cost Estimates by Year

**Table 11: ESAP Detailed Cost Estimate by Year**  
(in \$ million)

Item	Total Cost (\$ million)	Year 1 (\$ million)	Year 2 (\$ million)	Year 3 (\$ million)	Year 4 (\$ million)
<b>A. Investment Costs</b>					
Conditional cash grants	7,611.72	1,892.58	1,959.59	1,981.83	1,777.72
<b>Subtotal (A)</b>	<b>7,611.72</b>	<b>1,892.58</b>	<b>1,959.59</b>	<b>1,981.83</b>	<b>1,777.72</b>
<b>B. Recurrent Costs</b>					
1. Personnel services	418.86	93.54	108.44	108.44	108.44
2. Bank service fees	33.91	9.80	8.04	8.04	8.04
3. Cost of service (salaries for job orders)	66.14	29.29	14.39	8.07	14.39
4. Training	15.88	4.34	3.85	3.85	3.85
5. Advocacy	2.12	0.55	0.52	0.52	0.52
6. Administration costs	44.68	10.13	11.15	12.26	11.15
7. Capital outlay	6.61	-	6.61	-	-
8. Monitoring and evaluation	61.48	15.28	15.28	15.65	15.28
<b>Subtotal (B)</b>	<b>649.68</b>	<b>162.93</b>	<b>168.27</b>	<b>156.82</b>	<b>161.66</b>
<b>C. Contingencies</b>	<b>9.97</b>	<b>0.91</b>	<b>2.21</b>	<b>2.99</b>	<b>3.86</b>
<b>D. Financial Charges During Implementation</b>	<b>35.28</b>	<b>4.88</b>	<b>7.51</b>	<b>10.13</b>	<b>12.76</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>8,306.65</b>	<b>2,061.30</b>	<b>2,137.56</b>	<b>2,151.78</b>	<b>1,956.01</b>
<b>% Total Project Cost</b>	<b>100%</b>	<b>25%</b>	<b>26%</b>	<b>26%</b>	<b>24%</b>

ESAP = Expanded Social Assistance Project.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank.



**G. Contract and Disbursement.** Indicative contract awards and disbursements projection.

**Table 12: Contract Awards and Disbursement<sup>a</sup>**

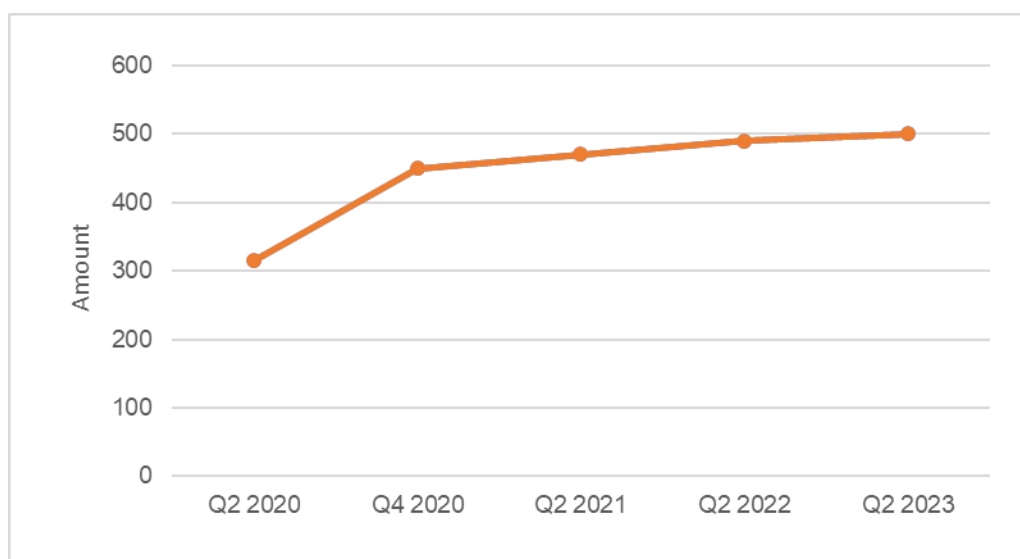
Year	Contract Awards (in \$ million)					Disbursements (in \$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2020		315		135	450		315		135	450
2021		20			20		20			20
2022		20			20		20			20
2023		10			10		10			10
	<b>Total Contract Awards</b>				<b>500</b>	<b>Total Disbursements</b>				<b>500</b>

Q = quarter.

<sup>a</sup> Loan proceeds finance cash grants only and are expected to be fully disbursed by Q2 2023. However, project implementation period is until 31 December 2024 to complete project activities that will be supported by the technical assistance facility.

Source: Asian Development Bank.

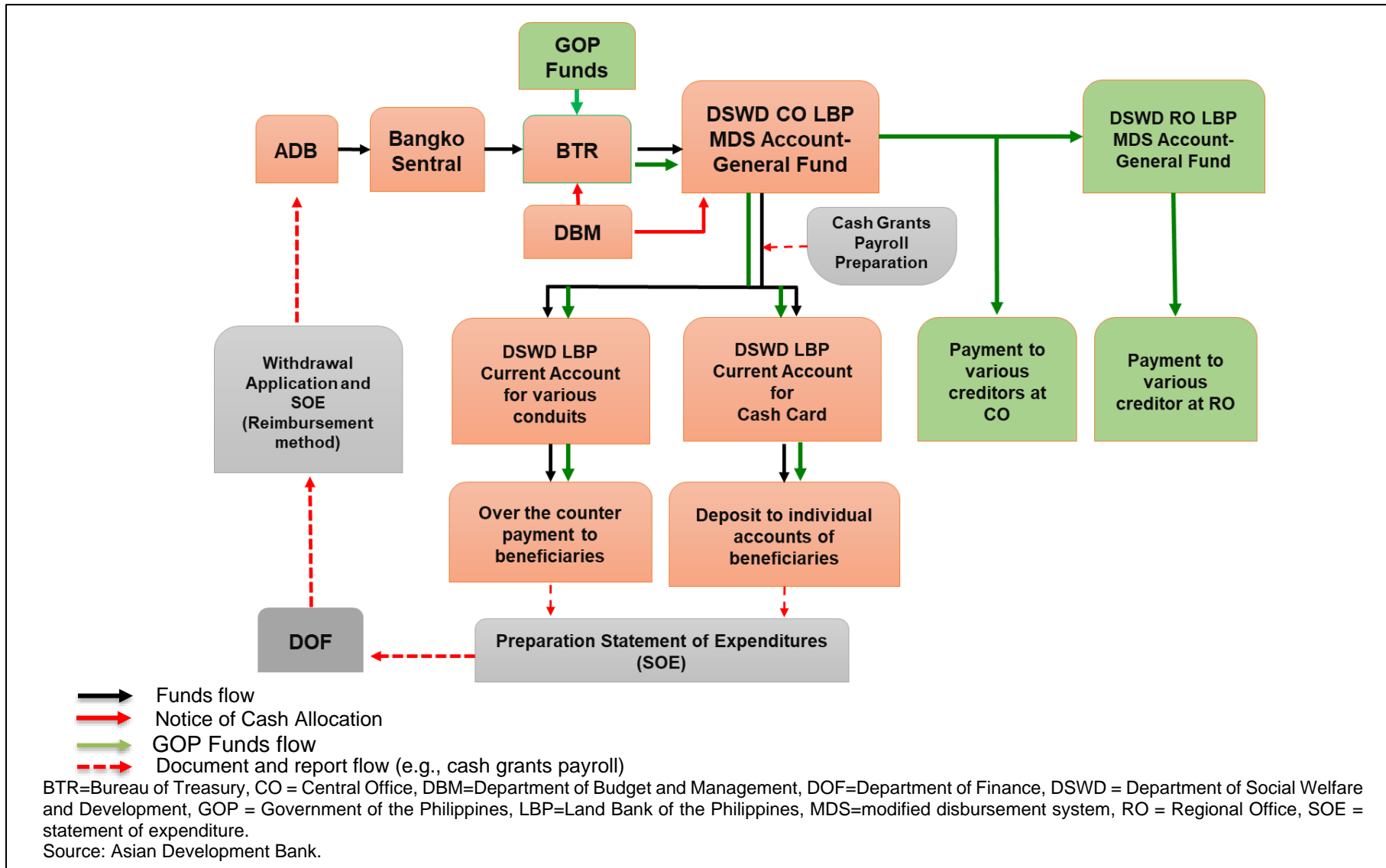
**Figure 3: Contract and Disbursement**



Source: Asian Development Bank.

H. Funds Flow Diagram

Figure 4: Funds Flow Arrangements



## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

17. The financial management assessment (FMA) was conducted from April to October 2019 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of DSWD, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. It is concluded that the overall pre-mitigation financial management risk of DSWD is *substantial*. The Government of the Philippines and DSWD have agreed to implement the following action plan to address the deficiencies, build capacity, and mitigate the risks (Table 13).<sup>13</sup> The post-mitigation risk is *moderate*.

**Table 13: Financial Management Action Plan**

Weakness	Risk Rating <sup>a</sup>	Mitigation Actions	Responsibility	Timeframe
<b>Program-specific</b> Limited linkage between 4Ps NPMO and FMS-SP due to lack of electronic recording/capture, sharing and integration of program implementation and financial management information.	Moderate	DSWD to expedite the development of an integrated information system to facilitate seamless sharing of information between the NPMO and the FMS-SP, and improve planning, programming and budgeting.	DSWD FMS, ICTMS, 4Ps NPMO	2020
<b>Accounting policies and procedures</b> Potential inaccuracies due to manual preparation of financial statements in 11 out of 16 DSWD field offices (delayed roll-out of e-NGAS).	Substantial	Implement computerized accounting in remaining 11 field offices as required by COA to enhance accuracy of annual financial statements and provide technical support to field-office personnel designated to use the computerized accounting system.	DSWD FMS central and field offices	2020
Limited storage area in field offices expose physical financial records to damage and theft.	Moderate	Regional offices will rent additional office space, and dialogue with COA on submission of certified true digital copies of original financial records	DSWD FMS central and field offices; COA	2020
<b>External audit</b> COA does not issue separate audit opinion for 4Ps since a separate 4Ps	Substantial	Prepare and issue a separate financial statement for 4Ps by	DSWD FMS- Locally Funded Projects	January 2020 onwards

<sup>13</sup> See also Appendix 1 for the summary of inherent risks and mitigation measures.

Weakness	Risk Rating <sup>a</sup>	Mitigation Actions	Responsibility	Timeframe
financial statement is not provided by DSWD.		<p>reviving the Fund Cluster 1: Regular Agency Fund, Fund Category 101: Social Protection Support Program. The financial statements will be prepared based on acceptable accounting framework to ADB.</p> <p>COA to conduct annual audit based on acceptable auditing standards to ADB and issue (1) annual audit opinion for the 4Ps FS; (2) annual audit opinion on use of loan proceeds for its intended purpose; and (3) management letter in compliance with ADB requirement.</p>	COA; DSWD FMS-LFP	2020-2023
<p><b>Internal audit</b> Internal auditors of DSWD lack technical capacity to audit IT-based systems of 4Ps.</p>	Moderate	4Ps to develop an orientation/training module on 4Ps systems purposely for internal audit staff	FMS-SP; NPMO	2020
<p><b>Cash grants delivery</b></p> <p>4Ps' system to monitor post payroll activities is lacking, resulting in unnecessary accumulation of unpaid, unclaimed and unliquidated cash grants.</p> <p>a. Slow processing of liquidation documents at the field offices</p> <p>b. Delay in cash cards distribution</p> <p>c. Potential of double entries in cash grants payroll and Delay in updating the status of household beneficiaries</p>	Substantial	<p>Review post payroll evaluation and validation with LBP and upgrade, if necessary, the payment reconciliation system at central and field offices</p> <p>Fast-track completion of data cleaning and conversion of mode of payment from OTC to cash card, and use of transaction channels</p> <p>Fast track the development and deployment of the monitoring module for cash card distribution under the current cash grants payroll system;</p> <p>Define timelines to fast track the validation process of reported double entries and enhance, if necessary, the beneficiary update</p>	<p>FMS-SP; NPMO; ICTMS; LBP</p> <p>FMS-SP; NPMO; LBP; ICTMS</p> <p>FMS-SP; NPMO; ICTMS</p> <p>NPMO; ICTMS, FMS-SP</p>	<p>2020</p> <p>2020</p> <p>2020</p> <p>2020</p>

Weakness	Risk Rating <sup>a</sup>	Mitigation Actions	Responsibility	Timeframe
		system and grievance redress system		
Non-binding payment reforms due to outdated Memorandum of Agreement between DSWD and LBP which also threatens the on-time and efficient release of cash grants to eligible household beneficiaries	Substantial	DSWD to work with LBP in amending the MOA to ensure timely and efficient delivery of cash benefits to eligible household beneficiaries including (i) revised timeline on deposit of cash grants to individual accounts considering the volume of cash card accounts, (ii) responsibilities and timeline on creation of new, replacement of old and release of cash cards, (iii) schedule of withdrawal of cash grants by the beneficiaries, and (iv) arrangements on the use of point of sale in lieu of ATMs	FMS-SP; NPMO; LBP	2020

4Ps = Pantawid Pamilyang Pilipino Program, ADB = Asian Development Bank, AGDB = authorized government depository bank, COA= Commission on Audit, DSWD = Department of Social Welfare and Development, e-NGAS= electronic New Government Accounting System, FMS-SP = Financial Management System for Special Projects, ICTMS= Information and Communication Technology Management Service, LBP = Land Bank of the Philippines, LFP = Locally-Funded Projects, MOA = memorandum of agreement, NPMO = National Program Management Office, OTC=over the counter.

<sup>a</sup> Low, moderate, substantial, high.

Source: ADB.

18. The FMS of DSWD is responsible for preparing and implementing financial plans, policies and guidelines; management of financial and related non-financial information systems; and evaluation and analysis of operating performance of responsibility centers. It consists of three divisions focusing on budgeting, accounting and cash management.

19. The current financial management structure of DSWD indicates delineation of duties and responsibilities at central and field office levels. At the central office, DSWD has created and established the FMS for Special Projects (FMS-SP) to undertake financial management tasks related to 4Ps and other foreign-assisted projects, e.g., KALAHI-CIDSS Community Driven Development Project that received financing from ADB.

20. The Undersecretary for General Administration and Support Services Group heads the overall 4Ps FMS-SP. The FMS-SP is a separate financial management unit headed by a Director. It comprises 78 government contractual staff and 9 Certified Public Accountants. The capacity of FMS-SP is, therefore, adequate to ensure that program funds are utilized appropriately and only for the intended purpose and activities. The FMS-SP ensures internal fiduciary control for 4Ps funds. It facilitates fast and accurate processing of financial transactions such as financial planning, programming, issuance of appropriations to field offices, processing and approving obligation requests, and payment of expenses.

21. At the field offices, the implementation of 4Ps financial management including obligation, processing, recording and monitoring of cash grants releases is handled by the regular financial management personnel of these offices. Funds intended for cash grants are retained at the central office and delivered directly to eligible 4Ps beneficiaries through authorized government depository bank (i.e., the Land Bank of the Philippines) and its conduits (e.g., points of sale). Thus, no funds flow to field offices. The mainstreamed financial procedures and processes are the responsibility of the field offices' Financial Management Division's head at the regional level. Contractual staff hired specifically for 4Ps provide assistance. The number of financial management personnel at the field offices hired for 4Ps varies, depending on the size and coverage of the field offices in terms of eligible household beneficiaries. The FMA indicates that the current financial management personnel are sufficient to handle the requirements of ESAP.

22. The Financial Management sub-manual for 4Ps, which was issued on 29 December 2015, details the key financial management policies and procedures. It is currently under revision/updating to reflect the following major changes in DSWD's financial management structure and arrangements:

- (i) Creation of the FMS for locally-funded Programs (FMS-LFP) and FMS-SP units at the central office, which separates the financial management for projects/programs assisted by foreign loans from the locally funded/regular programs of the DSWD;
- (ii) Creation of the financial management division at the field office level, which reports directly to the assistant regional director for administration; and
- (iii) Inclusion of cash transfers for rice subsidy as part of the 4Ps budget.

## **B. Disbursement**

23. **Disbursement arrangement for ADB Funds.** The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),<sup>14</sup> and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.<sup>15</sup> Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

24. The 4Ps program funds comprise loan proceeds and government counterpart fund.<sup>16</sup> The loan proceeds will flow from ADB to the Bangko Sentral ng Pilipinas for the account of the Bureau of Treasury. DSWD will transfer funds from its modified disbursement system-general fund account to the Land Bank of the Philippines (LBP) based on approved DSWD budget and notice of cash allocation issued by Department of Budget and Management (DBM) and in accordance with existing Commission on Audit (COA) rules and regulations. Subsequently, disbursement of 4Ps cash grants to eligible beneficiaries will follow the funds flow procedures specified in 4Ps Operations Manual's financial management sub-manual. Figure 4 above indicates the funds flow arrangement for ESAP.

<sup>14</sup> The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

<sup>15</sup> Disbursement eLearning. [http://wpqr4.adb.org/disbursement\\_elearning](http://wpqr4.adb.org/disbursement_elearning)

<sup>16</sup> The budget allocation for the 4Ps will be maintained at the level required by the 4Ps law over the project period of January 2020 to December 2023. Further, the DSWD will continue to strengthen its internal financial controls to ensure timely liquidation of outstanding balances with the Land Bank of the Philippines and its conduits, as emphasized by the Commission on Audit.

25. **Statement of expenditure procedure.**<sup>17</sup> Disbursement method will be by reimbursement using Statement of Expenditure (SOE) procedures. DSWD will prepare the SOE based on the payroll for cash grants summarized by regions. The SOE will be submitted to the Department of Finance (DOF) along with certification that the payment of cash grants is consistent with the provisions of 4Ps policies and guidelines, particularly on the conditions for education and health. DOF will then prepare the withdrawal application and transmit the same together with the SOE to ADB for reimbursement. The ADB receives the withdrawal application and remits the funds to the Bangko Sentral ng Pilipinas for the account of the Bureau of the Treasury.

26. The ceiling of the SOE procedure is the equivalent of \$2,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

27. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person.. The minimum value per WA is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements system is encouraged for submission of withdrawal applications to ADB.<sup>18</sup>

28. **Disbursement arrangements for counterpart fund.** ESAP will finance a portion of cash grants payroll for up to 4.4 million eligible poor household beneficiaries as payment for health and education conditionalities. 4Ps conditional cash grants to eligible and compliant beneficiaries are processed by the Cash Grants Division of the FMS-SP, on the basis of the electronic payroll prepared and generated by the DSWD Information and Communication Technology Management Service (ICTMS). The electronic computation of the payroll, which passes through different levels of electronic approval process, is triggered by the issuance of the Notice of Approved Payroll Action by the 4Ps NPMO. The Notice of Approved Payroll Action certifies that the beneficiary compliance verification process – Compliance Verification System (CVS), Beneficiary Updating System, and grievance redress system (GRS) – has been completed and available as basis for payroll computation.

29. In accordance with the Memorandum of Agreement between DSWD and the Land Bank of the Philippines (LBP), actual payment to eligible and compliant beneficiaries are made by the latter. LBP prepares and transfers funds to eligible beneficiaries based on approved payroll from DSWD on a bi-monthly basis. There are two modes of payment: cash cards and over-the-counter payment. LBP deposits cash grants to individual accounts of eligible and compliant beneficiaries with cash cards. During payout periods, beneficiaries go to the nearest automatic teller machine in the area to withdraw cash grants. DSWD field office, 4Ps RPMO and LBP agree on the processing, procedures, requirements, scheduling and location for over-the-counter payments on the ground.

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<sup>17</sup> SOE form is available in Appendix 2.

<sup>18</sup> The Client Portal Disbursements facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

### C. Accounting

30. DSWD will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following international accounting principles and practices, as well as existing laws, rules and regulations provided for in the Government Accounting and Auditing Manual issued by COA. Officials authorized to sign payment documents, vouchers and checks are designated through the issuance of a Department Order signed by the DSWD Secretary indicating the levels of authority for each official.

31. DSWD will prepare project financial statements in accordance with COA Circular No. 2013-002 dated 13 January 2013, which provides for a harmonized Philippine Public Sector Accounting Standards, and in accordance with International Public Sector Accounting Standards. This enhances transparency and accountability of financial reporting and ensures comparability of financial information. COA Circular 2014-003 dated 15 April 2014 details the guidelines and procedures on the conversion of New Government Accounting System chart of accounts, including its implementation. As such, DSWD adopted the revised chart of accounts for national government agencies.

32. The 4Ps Interim Financial Reports are prepared separately, and consolidated with the agency-wide interim financial reports, i.e., Budget and Financial Accountability Reports; Statement of Allotment, Obligation and Balances; Monthly Report of Cash Disbursements; and Monthly Report of Checks Issued and Cancelled, among others, for submission to concerned government agencies on or before the prescribed period. DSWD Central Office uses the electronic recording of financial transactions, and subsequently generates annual financial statements.

33. Agency-wide financial statements are prepared for all locally-funded programs of DSWD, including 4Ps and are prepared by the FMS-LFP under *Fund Cluster 1: Regular Agency Fund, Fund Category 101: Specific Budgets of National Government Agencies*, in accordance with the Unified Accounts Code Structure prescribed by COA-DBM-DOF Joint Circular No. 2013-1 dated 6 August 2013, and as amended through COA-DBM-DOF Joint Circular 2014-1 dated 7 November 2014. This adjustment rendered inactive the Fund Cluster 1: Regular Agency Fund, Fund Category 101 for Social Protection Support Project (SPSP) used by ADB's first conditional cash transfers loan for the Philippines from 2010 to 2015. Subsequently, ADB's 2016 SPSP-Additional Financing changed the financial management arrangement where the FMS-SP prepares and processes 4Ps grants payments, while the FMS-LFP is responsible for recording.

34. To ensure compliance with ADB reporting requirements for ESAP, DSWD will prepare and issue separate annual project financial statement for 4Ps, and will be subject to external audit by the resident COA auditor. This will be done by reviving the *Fund Cluster 1: Regular Agency Fund, Fund Category 101: Social Protection Support Project (SPSP)* used for the original loan from ADB in 2010.

35. DSWD complies with recently issued DBM Circular Letter No. 2019-4 dated 14 January 2019, prescribing the *Guidelines on the Adoption and Use of the Budget and Treasury Management System for Budget Utilization*. This provides for an integrated financial management information system for obligating, disbursing and reporting all government expenditures.



## D. Auditing and Public Disclosure

36. DSWD will cause the detailed project financial statements to be audited in accordance with the standards of the Philippine Public Sector Standards in Auditing and by an independent auditor acceptable to ADB.

37. The COA, the supreme audit institution of the Philippine Government, will carry out external audit of the annual project financial statements in accordance with Philippine Government laws, rules and regulations and following the Philippine Public Sector Standards in Auditing which is consistent with International Standards for Supreme Audit Institutions. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by DSWD. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

38. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

39. The Philippine Government and the DSWD have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>19</sup> ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

40. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy 2018.<sup>20</sup> After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.<sup>21</sup>

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<sup>19</sup> ADB's approach and procedures regarding delayed submission of audited project financial statements: (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed; (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months; and (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

<sup>20</sup> Access to Information Policy: <https://www.adb.org/documents/access-information-policy>.

<sup>21</sup> ADB. 2018. *Access to Information Policy exceptions to disclosure*. Manila.

## VI. PROCUREMENT AND CONSULTING SERVICES

### A. Retroactive Financing

41. The DSWD has been advised that approval of retroactive financing does not commit ADB to finance the project. Withdrawals from the loan account may be made to finance eligible expenditures incurred in connection with the Education Grants and Health Grants with code designation “Fund 101” or such other account code designation, acceptable to ADB under the Project before the effective date, but not earlier than 12 months before the date of the loan agreement, subject to a maximum amount equivalent to 20% of the loan amount.

### B. Procurement of Goods, Works, and Consulting Services

42. There will be no loan-financed consulting services or procurement.

## VII. SAFEGUARDS

43. The project is classified as category **B** for indigenous peoples, and category **C** for environment and involuntary resettlement. The project will not involve civil works and will not lead to any land and assets acquisition. There will be no physical displacement or temporary involuntary resettlement impacts under the proposed project.

44. **Indigenous peoples (IPs).** The project is expected to have a positive impact on indigenous households by providing them with additional cash income to improve their children’s education, health, and nutrition, as well as raise awareness of their rights and of government development programs. The 4Ps has always had a strong focus on indigenous people. As of 29 February 2020, 643,414 indigenous households (15.0% of total active households) are covered under 4Ps. Of these households, 72.6% are from Mindanao, 24.75% from Luzon, and 2.7% from Visayas. Around 69.6% of these households are headed by female grantees. It will also allow them to avail of health services and enhance their acceptance of and participation in the national immunization program. Improved targeting and program monitoring will ensure that indigenous households are included and will benefit from the various social programs available. Community and Family Development Sessions (CFDS) provide a venue for indigenous communities to learn about their individual and collective rights in addition to topics related to health, food security, and livelihood. They serve as an opportunity for communities to discuss issues affecting their cultural, economic, and social wellbeing.

45. **Indigenous Peoples Plan (IPP).** An Indigenous Peoples Plan (IPP) has been prepared for ESAP.<sup>22</sup> It builds on the experience gained in implementing the IPP of the ongoing SPSP – Additional Financing, the feedback received during the bi-annual joint donor review meetings of ADB’s SPSP – Additional Financing and the World Bank’s Second Social Welfare and Development Reform Project (SWDRP-II). To get additional inputs for this IPP, field visits to Davao, Bukidnon, and Palawan were also conducted in June – July 2019.

46. The IPP provides guidance to guarantee culturally appropriate program implementation for indigenous beneficiaries and to develop measures to minimize and mitigate any unavoidable adverse impacts. Table 14 describes the identified potential positive and negative impacts as well as the measures to mitigate the unavoidable negative impacts. The suggestions and concerns of

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<sup>22</sup> Indigenous Peoples Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

indigenous beneficiaries documented during the social investigation conducted in preparation for the formulation of this IPP were taken into consideration in developing the proposed measures specified in the table. The goal is to ensure that indigenous beneficiaries receive social and economic benefits that are culturally appropriate and gender responsive.

**Table 14: Potential Positive and Negative Impacts of 4Ps on Indigenous Peoples**

Outputs	Anticipated Positive Impacts	Anticipated Negative Impacts	Proposed Mitigation Measures
<p>1. Conditional cash transfers delivered effectively and on time</p>	<p>At least fifteen percent of the eligible and active 4Ps households receiving cash grants are indigenous households.</p> <p>Cash transfers at the higher rates laid down in the 4Ps law help the indigenous households improve their children's health and nutrition, and cover their education expenses.</p>	<p>Indigenous peoples may not avail of the education and health grants which can result in social exclusion.</p> <p>For geographically isolated indigenous communities, increasing the presence of cash in self-sufficient, mainly cashless societies may lead to the erosion of traditional values and practices, including sharing, reciprocity, and redistribution of resources.</p> <p>In communities where traditional livelihood strategies are still practiced and traditional values still hold, the introduction of additional money may promote the development of a cash-based economy, with the potential to change social relationships and communal integrity.</p>	<p>Ensure that national and regional IP focal persons have a thorough understanding of the diversity of indigenous cultures and possess the ability to develop culturally appropriate strategies, avoiding a one-size-fits-all approach.</p> <p>Strengthen the consultation process that allows IP communities to critically analyze the unintended consequences of the program that could affect multiple aspects of their lives. The output of the consultations will be an informed decision by the community on whether and how to engage in the program.</p> <p>Commission a team of anthropologists to study the potential impacts of the introduction of additional cash on indigenous social structure, relationships, redistribution of resources, and value of sharing.</p>
		<p>Despite attention to indigenous women's safety, some women may still be vulnerable at the time they claim their cash allotment given the travel distance .<sup>a</sup></p>	<p>Ensure women's safety and practical gender needs during pay outs.</p> <ul style="list-style-type: none"> <li>• Consolidate relevant geographic and demographic data</li> <li>• Produce maps of target beneficiaries in GIDA to provide adequate support to</li> </ul>

Outputs	Anticipated Positive Impacts	Anticipated Negative Impacts	Proposed Mitigation Measures
			indigenous people, especially women.
<p>(Under TA Facility)</p> <p>2. Delivery systems strengthened</p>	<p>The progressive automation of compliance verification, beneficiary updates, and grievance redress makes it easier for IP households to comply with 4Ps conditionalities.</p> <p>The progressive spread of mobile banking and points of sale in remote areas will make it easier for IP households to rely on a combination of over-the-counter and cash cards, as convenient.</p> <p>Improved indigenous peoples' access to health and education services through strengthened partnership with DepEd and DOH in monitoring compliance to program conditions, which take into consideration geography and cultural realities of indigenous beneficiaries in fulfilling program conditions.</p> <ul style="list-style-type: none"> <li>• Indigenous children are able to comply with education conditionalities with access to culturally appropriate methods of teaching and learning.</li> <li>• Indigenous women and children are able to comply with the health conditionalities with improved access to</li> </ul>	<p>For extremely remote areas, individual transportation and other costs incurred in claiming the cash grants are high.</p> <p>Indigenous beneficiaries may pawn or use the cards as collateral to access cash before the scheduled pay out, promoting a culture of debt.</p> <p>Indigenous children do not benefit from the education services since it is not responsive to their needs and aspirations.</p> <p>Indigenous women do not access health services when service providers do not respect their indigenous health beliefs and practices.</p>	<p>Establish arrangements with the Land Bank of the Philippines and other service providers to ensure pay outs are strategically located.</p> <p>The NPMO will define mitigation measures based on the site-specific context.</p> <p>For indigenous communities that are accessible and have access to basic services:</p> <ul style="list-style-type: none"> <li>• Strengthen the partnership with DepEd for the integration of the IP Education curriculum (formal schooling)</li> <li>• Strengthen the partnership with the DOH to guarantee culture sensitive services that respect traditional health and birthing practices by: (i) providing culture sensitivity training for health practitioners, (ii) hiring IP midwives, and (iii) ensuring that immunization education materials are presented in a language IPs are comfortable with.</li> </ul> <p>For beneficiaries in isolated or extremely remote areas, other modes of fulfilling the education requirements that are responsive to the situation, plans, and</p>

Outputs	Anticipated Positive Impacts	Anticipated Negative Impacts	Proposed Mitigation Measures
	<p>essential health care, including maternity care that meets the criteria of availability, accessibility, and acceptability.</p>		<p>aspirations of the community will be considered.</p> <p><b>EDUCATION</b></p> <ul style="list-style-type: none"> <li>• Communities articulate the purpose and goals they have for education, taking into consideration unintended impacts.</li> <li>• Strengthen partnership with the DepEd Indigenous Peoples Education Office to ensure quality and responsive education for IP learners.</li> </ul> <p><b>HEALTH</b></p> <ul style="list-style-type: none"> <li>• Involve communities to explore all possible options to address the issue of access</li> <li>• Coordinate with service providers to offer alternative service delivery options (e.g., mobile health teams that provide immunization and other health services in GIDAs)</li> <li>• Explore partnerships with other health service providers in isolated communities (e.g., NGOs focusing on health)</li> </ul>
	<p>All indigenous beneficiaries attend monthly CFDSs that are responsive to their needs and aspirations and integrate indigenous knowledge systems and practices.</p> <p>CFDSs promote inclusion and empowerment, which improve the self-confidence of indigenous beneficiaries.</p>	<p>CFDS content is not contextualized to the situation of the indigenous community which may result in cultural change and loss of identity.</p> <p>Inadequate capacity of program staff to facilitate culturally appropriate CFDS.</p>	<p>Enhance existing tools to determine the needs of both indigenous beneficiaries and implementers in developing gender sensitive and culturally appropriate CFDS modules and learning materials that serve to strengthen cultural identity.</p> <p>Contextualize information, education and communication materials to meet the needs of different target groups (i.e. youth, women, indigenous people, elders, and others).</p> <p>Enhance capacities of field staff to facilitate culturally appropriate CFDS.</p> <p>Ensure that FDS modules and learning packages rolled out are culturally sensitive and gender responsive.</p>

Outputs	Anticipated Positive Impacts	Anticipated Negative Impacts	Proposed Mitigation Measures
	Grievance redress mechanisms are readily accessible and tailored to the needs of the indigenous communities.	Indigenous peoples' concerns are not captured and properly addressed.	<p>In areas where indigenous people are a minority and are not comfortable in the presence of many non-IP beneficiaries, FDSs should only include IP beneficiaries.</p> <p>Enhance the capacities of program staff to handle all issues that have culture and gender implications.</p> <p>Institute capacity building activities for indigenous peoples to report grievances issues and concerns.</p>
<p><u>(Under TA Facility)</u></p> <p>3. Awareness building, connections with complementary social programs, project management and evaluation capacity strengthened</p>	<p>All IP households are covered under the Listahanan 3 survey</p> <p>Customary leaders will actively participate in the identification of indigenous beneficiaries.</p>	<p>There is likelihood that enumerators will bypass indigenous households, especially in extremely remote areas.</p>	<p>Ensure that no indigenous households are excluded from the Listahanan 3 survey by incorporating the following measures:</p> <ul style="list-style-type: none"> <li>• Improve coordination with local officials, tribal leaders, parent-leaders, and community facilitators to identify the location and identity of poor households, not only in the main population centers but also in small or remote sitios.</li> <li>• Conduct culture sensitivity training to build the knowledge and skills of the enumerators for engaging indigenous communities in a culturally sensitive manner.</li> <li>• Mobilize indigenous peoples organizations and NGOs working in the area to serve as third-party monitors. They will conduct spot checks to ensure that enumerators do not overlook or avoid remote households in IP areas, especially in isolated communities.</li> </ul>
	The monitoring and evaluation system accurately reflects the physical, social, economic, and political status of both remote, geographically isolated	The lack of a national data set describing the ethno-linguistic groups, their number, location, and social, economic and political situation will increase	<p>Explore strategies to ensure IP representation during spot checks.</p> <p>Develop culturally sensitive indicators to capture the context of indigenous communities.</p>

Outputs	Anticipated Positive Impacts	Anticipated Negative Impacts	Proposed Mitigation Measures
	<p>IP communities and those that have roads or are more easily accessible.</p> <ul style="list-style-type: none"> <li>• Reliable data is collected from the field to validate population, ethnicity, and geographic coverage of the indigenous communities</li> <li>• There is better tracking of impacts and program outcomes for IPs</li> </ul> <p>Program impacts are regularly monitored to ensure the IPP is properly implemented</p>	<p>the difficulty of data collection.</p> <p>Unable to regularly monitor program effects on indigenous communities</p> <p>Selective monitoring sites (safety concerns)</p>	<p>Produce semi-annual social monitoring reports detailing the strengths and challenges in implementing 4Ps in IP areas.</p> <p>Conduct an evaluation that compares the impacts of the program on indigenous communities with non-IP communities.</p>

4Ps = Pantawid Pamilyang Pilipino Program, CFDS = community family development sessions, DepEd = Department of education, DOH = Department of Health, FDS = family development sessions, GIDA = geographically isolated and disadvantaged areas, IP = indigenous peoples, IPP = Indigenous Peoples Plan, NGOs = non-government organizations, NPMO = National Program Management Office, TA = technical assistance.

<sup>a</sup> Geographic location is a barrier for indigenous women living in isolated communities that often makes it difficult to comply with the program conditionalities. Indigenous women may be vulnerable during the day they receive their cash allotment, since some must walk long distances to reach the payout location. There are cases during the rainy season that women have taken risks crossing flooded rivers in order to comply with the program conditions. The issue of women's safety must be considered, especially those living in isolated communities.

Source: Asian Development Bank.

47. **Consultation and participation mechanism during implementation.** The IPP is designed to ensure that indigenous communities continue to be meaningfully consulted and actively participate in the implementation of 4Ps. Meaningful consultation is one of the most vital features of the ADB's IP safeguards under the Safeguards Policy Statement (SPS) 2009. It is a process that ensures that the issues and concerns of indigenous peoples are heard, recognized, and responded to by the program implementers. Meaningful consultation involves the recognition of the rights of indigenous peoples to be informed, consulted, and to exercise their option to accept or reject the program. Program staff will continue to utilize culturally appropriate consultation methods and provide a venue for indigenous communities to engage in a critical analysis of unintended consequences of the program on their values, culture and traditional practices. The consultation process will allow communities to reach a truly informed decision of whether they wish to participate in the program.

48. The program will have additional facilitation requirements for extremely isolated indigenous areas where traditional values are still practiced. The process will help the community to critically examine if the introduction or increase of cash in the household may lead to the erosion of traditional values and practices. The NPMO will ensure that the following consultation

requirements are in place, specifically among newly registered IP beneficiaries in extremely isolated indigenous areas where the introduction of cash may be relatively new:<sup>23</sup>

- (i) Recognize the indigenous political structure of the indigenous community and conduct small group discussions with the customary leaders. Provide them with relevant and adequate information about 4Ps for them to analyze the positive and potential unanticipated long- and short-term negative impacts of the program on their culture.
- (ii) The customary leaders will organize community consultations together with the project team. If the project team conducting the consultations is from a different ethnic group than that of the community, they should establish a close relationship with the customary leader or members of the indigenous community, or someone who is familiar with their culture and language that can be trusted to fully explain, translate, and interpret all aspects of the project for the community.
- (iii) Use simple language during meetings to clarify project concepts and ensure the objectives are thoroughly understood. This often requires things be explained and repeated many times, during multiple meetings. Make use of storytelling and local materials in presenting the project information.
- (iv) After the program has been thoroughly explained and it is determined that the majority of the community has gained an adequate understanding of its goals, components, and conditionalities, they will be asked to discuss and decide whether they want to participate in 4Ps. If they need more information before they decide, they can ask the 4Ps team to hold additional meetings to further explain different aspects of the project.
- (v) Allocate enough time for the community to decide.
  - If the indigenous community asks for additional time, the 4Ps team will allow the time needed to make an informed decision. The indigenous community and the 4Ps team will agree on the time and venue for an additional round of discussions or to receive the decision reached by the community.
  - If there are disagreements among community members, the community must resolve whatever issues exist. The 4Ps team will document the major disagreements and allow time for the community to reach a decision.
- (vi) Documentation of formal expression of support or objection to the project will include the following:
  - (a) A summary of issues raised, and opinions expressed during consultations that may include the minutes of meetings with elected local government officials, the council of elders, women, and youth.
  - (b) The process by which the majority of the involved indigenous community gave their approval, either through their traditionally recognized representatives or during a community meeting attended by the majority of households.

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<sup>23</sup> J. Austria-Young. 2017. *Consultations and Participatory Planning for Development Projects Involving Indigenous Peoples: prepared for the ADB and World Bank Training on IP Safeguards*. Philippines.



- (c) The final, formal result of the meeting detailing the decision of the involved indigenous group can be in a form of a tribal resolution attaching the minutes of the community consultation.

49. **Information disclosure.** Disclosure of project information will be made available to the indigenous communities and beneficiaries in the form of leaflets or brochures translated into the local language. For indigenous communities where a large number of the adults cannot read, materials will be produced in popularized form throughout the project's duration. In addition to printed material, project implementers will use visual presentations and other culturally appropriate means to share pertinent project information.

50. The monitoring reports on IPP implementation will also be posted on the ADB website. Summaries of the monitoring reports will be posted in barangay offices and tribal halls, and delivered to IPs through their tribal representatives.

51. **Capacity building.** The project will utilize a two-pronged capacity building strategy. The first is to enhance the capacity of the executing agency so program staff fully appreciate the issues faced by the indigenous peoples, and the vital role of Indigenous Knowledge Systems and Practices with regard to indigenous education and indigenous beliefs and health practices. ADB's SPS (2009) regarding indigenous peoples' safeguards will continue to be included in the capacity building program. The second part of the strategy is to build the capacity of indigenous beneficiaries through their participation in FDS that will focus on strengthening their agency, by concentrating on collective rights and improving organizational management.

52. **Culturally appropriate grievance redress system.** The establishment of a grievance redress system (GRS) is crucial in facilitating the resolution of issues and concerns related to 4Ps. The ADB SPS states that the borrower/client is required to establish and maintain a grievance redress mechanism to ensure effective resolution of indigenous beneficiaries' concerns and grievances about program implementation. Under the ESAP, ADB will continue to support DSWD as required, to strengthen the GRS further and resolve complaints in a timely manner through a transparent process that is gender responsive, culturally appropriate, and readily accessible to all indigenous beneficiaries. The 4Ps GRS staff will ensure that indigenous beneficiaries are oriented on the project GRS processes. The goal of the 4Ps GRS is to capture and resolve all grievances effectively. It serves as both a venue for program beneficiaries to voice their concerns and a general guide for staff on how to handle and resolve grievances.

53. **Monitoring, reporting, and evaluation.** As in the case of the ongoing SPSP-AF, the implementation of ESAP's IPP will be monitored to: (i) ensure that mitigation measures designed to address possible negative social impacts and measures to enhance positive impacts are adequate and effective, (ii) determine if the indigenous communities have any issues or concerns regarding project implementation, and (iii) propose corrective actions when needed. The NPMO will be in charge of monitoring the IPP and ensuring that it is implemented regionally through the IP focal persons. It will conduct a systematic assessment to determine the most effective method of ensuring that project implementers are aware of the IPP. A system will be established to monitor implementation of and compliance with the IPP. The program must allocate financial resources to activities, both at the national and regional levels, that enable it to fulfill all commitments specified in the IPP.

54. The project IPP monitoring indicators will be disaggregated by sex and ethnicity. DSWD has developed M&E system guidelines for geographically isolated and disadvantaged areas to ensure that the system is able to capture IP-specific indicators as reflected in the M&E forms. The

M&E systems can be enhanced by developing analytical tools and internal monitoring systems that provide an accurate picture of indigenous peoples in the 4Ps. The monitoring reports include but are not limited to the indicators contained in Table 15.

**Table 15: Monitoring Indicators**

Indicators	Process Indicators
<b>Demographic baseline</b>	<ul style="list-style-type: none"> <li>• The number of IPs by gender, age, habitat (barangay)</li> <li>• Number of households with handicapped, elderly or invalid members;</li> <li>• Number of female-headed households;</li> <li>• Number of poor households; and</li> <li>• Number of households headed by the elderly.</li> </ul>
<b>Consultation and participation</b>	<ul style="list-style-type: none"> <li>• Number of consultation and participation activities that occur – meetings, FGDs, information dissemination, brochures flyers, training;</li> <li>• Percentage of IPs as participants;</li> <li>• Number of meetings exclusively with indigenous women;</li> <li>• Location of information disclosure;</li> <li>• Languages used at meetings and information disclosure; and</li> <li>• Consultation and participation progress against plan and budget.</li> </ul>
<b>Grievance redress</b>	<ul style="list-style-type: none"> <li>• Level of involvement of IPs in the grievance resolution;</li> <li>• Total number of IPs using the project level GRM;</li> <li>• Number of grievances received by nature of grievance;</li> <li>• Number of grievances resolved and length of time taken to be resolved; and</li> <li>• Number of grievances not resolved and reasons for not being resolved yet.</li> </ul>
<b>Implementation of mitigation measures and beneficial measures</b>	<ul style="list-style-type: none"> <li>• Number of indigenous beneficiaries benefiting from 4Ps disaggregated by gender, age group and geographic location;</li> <li>• Number of IPs participating in the capacity training programs;</li> <li>• Number of IPs provided with IEC materials disaggregated by gender;</li> <li>• Languages used in the training sessions and IEC materials;</li> <li>• Availability of the alternative route for children going to school;</li> <li>• Safety of indigenous women and children in fulfilling program conditions.</li> </ul>

4Ps = Pantawid Pamilyang Pilipino Program, FGD = focus group discussion, GRM = grievance redress mechanism, IEC = information, education and communication, IP = indigenous people.

Source: Asian Development Bank.

55. The NPMO will prepare and submit semi-annual social monitoring reports to ADB for its review and posting on the ADB website. These progress reports will provide updates on indigenous beneficiaries, progress of program implementation, challenges related to IPP implementation, and any grievances received.

56. **IPP implementation arrangements.** The NPMO will ensure that all activities and measures detailed in the IPP will be implemented according to the agreed-to time frame, with the support of the designated person or body for IPs at the national and regional levels.

57. The project will dedicate a National IP Focal whose focus will be the implementation and monitoring of the IPP. The main task of the National IP Focal will be to continue sensitizing program staff, and providing guidance in matters that may impact the social and cultural wellbeing of IP communities. The National IP Focal will be responsible for formulating guidelines, manuals, and training materials that promote the development of culturally competent staff. The National IP Focal will ensure that the regional IP focal persons are aware of the importance of the ADB SPS and its requirements, and are supported in the implementation of the IPP.

58. In coordination with other divisions in the NPMO, the following are specific programs interventions to integrate indigenous peoples' perspective in the 4Ps:

- (i) **Integrating culture and gender in an M&E system.** The 4Ps M&E system must be able to handle specific cultural-based aspects of indigenous beneficiaries. It must accurately reflect the physical, social, economic, and settlement patterns of both remote, geographically isolated IP communities, and those that are less isolated, partially or wholly integrated with the mainstream, and have at least partial access to basic services. A reliable database is required for identifying and reaching out to indigenous communities. An efficient M&E system will increase indigenous peoples' visibility and allow for effective tracking of program milestones.
- (ii) **Developing culturally appropriate and gender sensitive CFDS materials.** CFDS modules and session topics must be based on the unique needs of diverse indigenous communities and contextualized to fit their specific contexts. The existing FDS materials should be reviewed to determine whether: (i) they respond to the needs of the different indigenous communities; (ii) the language and the content of the modules, session topics, and learning materials are free of value judgments; (iii) the topics help the beneficiaries to value their culture and identity as indigenous peoples; and (iv) the topics will empower communities by increasing awareness of how they can improve their participation in decision making in programs and policies that affect them, including local governance.

In areas where the indigenous people are a minority, separate CFDS sessions will be conducted for them to ensure that they are able to voice their concerns and needs. This will ensure that indigenous beneficiaries are free to discuss, learn, and raise awareness using the language of their choice without intimidation.<sup>24</sup>

- (iii) **Grievance redress mechanisms tailored to the needs of IPs.** As part of DSWD's ongoing efforts to mainstream IP sensitivity across program divisions, the NPMO in coordination with Grievance Redress Division will continue to identify ways to strengthen the grievance system to ensure that it is easily accessible and responsive to IP communities.

## VIII. GENDER AND SOCIAL DIMENSIONS

59. The 4Ps has been instrumental in reducing poverty, keeping children in school, and encouraging health-seeking behaviors among children and women. The project has been an effective instrument in reducing inter-generational transmittal of poverty while continuing to minimize vulnerability to shocks and negative coping strategies through the cash transfers. It will continue to support and strengthen strategic interventions through gender and social inclusion awareness, establishing gender sensitive mechanisms and building internal capacity of 4Ps personnel and grantees. The beneficiaries are the 4.4 million poor households with children and/or pregnant women identified under the standardized household targeting system (Listahanan). More than 85% of the grantees are women, and about 15% are IPs. The project will continue the gender mainstreaming activities under previous projects and is classified as gender equity theme (GEN).

60. **Key poverty and social dimensions.** The 4.4 million poor households will benefit from short-term (provision of cash grant) and long-term (investment in education and health) interventions through ESAP. Beneficiaries will receive regular transfers (bi-monthly), conditioned on their compliance with health and education co-responsibilities including health center visits, school enrolment and regular attendance, and attendance in FDS. These investments in human

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<sup>24</sup> UNICEF. 2018. *Can the MCCT for IPs in GIDAs Be More Inclusive?* Policy Brief No. 4. Manila, Philippines.

capital aim to help break the inter-generational transmission of poverty from parents to their children. In IP areas, program conditions have been modified to better reflect the cultural preferences and practices of IPs. The 4Ps children enrolling in primary education account for 41% (3.6 million), while those enrolled in junior high school (grades 7-10) represent 40% (3.5 million). Around 5% of households (206,000) have a person with disability member. In accordance with RA 11310, the 4Ps also uses a 7-year social case management strategy that guides the process of shepherding 4Ps households to achieve improved well-being towards stepping-up (from one level of well-being to another) and out of poverty (graduation or exit). Through a client-centric and participatory approach, the social case management strategy strengthens the individuals, families, groups, and communities within a 7-year operational period to build their capacities and skills by matching with available opportunities and resources that can result in self-efficacy and restored social functioning of individuals, supportive and socially cohesive groups and sustainable communities.

61. **Gender Action Plan.** The ESAP will sustain its focus on gender equity and social inclusion by reaching out to more than 85% of women cash grantees to achieve women’s empowerment and gender equity that can transform gender relations among households. The project will ensure regular, predictable and timely social transfer delivered to poor households taking into account, women’s time poverty, mobility constraints, and security. The ESAP will (i) support women and children beneficiaries who are non-compliant due to gender based violence and child protection cases; (ii) provide ladderized gender capacity building for the DSWD staff and program implementers, and gender-responsive FDS and YDS for beneficiary households; (iii) improve reporting of succeeding pregnancies to monitor mother’s health benefits; (iv) support women with gendered-vulnerabilities by linking services through referral mechanisms for complementary interventions; and (v) recognize gender advocate families. The 4Ps’ gender guidelines detail the entry points and strategies to mainstream gender in every component. The Gender Action Plan also integrates specific needs and concerns of indigenous women, including developing appropriate IEC materials for FDS modules that use socially inclusive images and gender-fair language.

**Table 16: Gender Action Plan**

Activities	Indicators and Targets	Responsibilities	Timeline
<b>Conditional cash transfers delivered effectively and on time</b>			
1.1 Cash grantees receive timely grants and in the right amount.	1.1.1 By 2023, at least 98% of women cash grantees receive timely cash grants in at least five of the six reporting periods per year. (2019 baseline: 97.5%); (DMF: 1b) 1.1.2 Starting in 2020, at least 90% of eligible 4Ps households, of which majority (over 51%) are women, <sup>a</sup> receive conditional cash transfers at the increased rates laid down in the 4Ps law. (2019 baseline: Grants paid at 2008 rates)	DSWD 4P NPMO (GADD; PMED)	Q3 2020 to Q2 2024
<b>Delivery systems strengthened (Supported under TA Facility)<sup>b</sup></b>			
2.1 Develop strategies to improve the reporting and monitoring of gender-related issues including, succeeding/early pregnancies, pre/post-natal care for pregnant/mothers, and cases of girls not attending school.	2.1.1 Policy, response strategy, intervention and monitoring undertaken to reduce the prevalence of succeeding/early pregnancies. 2.1.2 Policy, response strategy, intervention and monitoring undertaken to improve the pre/post-natal care of pregnant/mothers. 2.1.3 Policy, response strategy, intervention and monitoring undertaken to decrease the incidence of girl students not attending school cases especially due to early marriage or pregnancy.	DSWD 4P NPMO (GADD; IPU; PMED; BDMD)	Q4 2020 to Q2 2024

Activities	Indicators and Targets	Responsibilities	Timeline
2.2 Review all material used for the FDS and YDS to ensure that they are culturally appropriate and respond to the differential needs and experiences of 4P beneficiaries.	2.2.1 Formulate a 'Culturally-sensitive and Gender-responsive Review Protocol' for the FDS and YDS. (DMF: 2b) 2.2.2 Revise and improve three relevant FDS modules based on the above review protocol to meet the needs of different target groups (i.e. youth, women, men, indigenous people, elders).	DSWD 4P NPMO (GADD; PMED; FDD; SMD; IPU)	Q4 2020 to Q2 2024
2.3 Generate and analyze data on Gender Red Sites <sup>e</sup> that record high rates of child protection and gender-based violence cases.	2.3.1 Expand gender mapping <sup>f</sup> to 304 sites to identify and document issues including cases of gender-based violence, early marriage, and early pregnancy. (2019 baseline: 13 sites); (DMF: 2a) 2.3.2 Beneficiary data, grievance, and compliance data analyzed annually to address gender and child related issues including cases of gender-based violence, child protection, early marriage and adolescent pregnancy.	DSWD 4P NPMO (GADD; PMED; CVD; GRD, BDMD)	Q4 2020 to Q2 2024
2.4 Roll out referral pathways <sup>g</sup> and service delivery interventions for child protection and gender-based violence cases in a culturally sensitive manner.	2.4.1 Establish an open, inclusive and coordinated referral network for 4Ps beneficiaries focused on child protection (including early marriage and adolescent pregnancy) and gender-based violence to support 4Ps beneficiaries. 2.4.2 Document at minimum three best practice of a child-friendly, gender-responsive approach deployed by the project that both identified and proactively resolved a situation of child- or gender-based violence.	DSWD 4P NPMO (GADD; PMED; CVD; IPD, GRD)	Q4 2020 to Q2 2024  Q2 2021 to Q2 2024
2.5 Institutionalize gender-responsive and culturally-sensitive social marketing and communication strategies.	2.5.1 Integrate socially inclusive images and gender-fair language <sup>h</sup> within the 4Ps Social Marketing Framework. 2.5.2 Recognize at least one family/individual annually for being a gender equality advocate during DSWD national event (promoting the protection and rights of women and children) of the 4Ps Social Marketing Framework.	DSWD 4P NPMO (GADD; PMED; SMD)	Q4 2020 to Q2 2024
<b>Awareness building, connections with complementary social programs, project management and evaluation capacity strengthened</b> (Supported under TA Facility, footnote 1)			
3.1 Institutionalize the gender M&E reporting system in core program components by disaggregating on the basis of sex, age, and indigenous people's groups to support the generation and analysis of 4Ps GAD statistics.	3.1.1 Integrate 4Ps GAD M&E system in the overall project M&E system.	DSWD 4P NPMO (GADD; PMED; CVD; GRD; BDMD)	Q3 2020 to Q2 2024
3.2 Establish culturally appropriate case management strategies and processes that recognize the differential needs and experiences of women, men and children through collaboration with project partners and beneficiaries.	3.2.1 Formulate and develop a culturally appropriate Social Case Management and Development Framework that demonstrates awareness of the differential needs and experiences of women, men and children. 3.2.2 Include culturally-sensitive and gender-responsive case management guidelines within the project Operations Manual. (2019 baseline: 0); (DMF: 3d)	DSWD 4P NPMO (GADD; PMED)	Q4 2020 to Q2 2024
3.3 Ensure that annual and mid-term reviews and impact evaluation consider gender and culture specific challenges and concerns.	3.3.1 Integrate GAD-related questions in the annual spot-checks in order to monitor and/or update the project's GAD mainstreaming good practices. 3.3.2 Integrate a gender-based analysis within the mid-term review.	DSWD 4P NPMO (GADD; PMED)	Q1 2021 to Q2 2024

Activities	Indicators and Targets	Responsibilities	Timeline
	3.3.3 Integrate a gender impact assessment within the 4Ps Impact Evaluation 4. (DMF: 3c)		

4Ps = Pantawid Pamilyang Pilipino Program, BDMD=Beneficiary Data Management Division, CBD=Capacity Building Division, CVD=Compliance Verification Division, DSWD=Department of Social Welfare and Development, FDD=Family Development Division, FDS = family development sessions, GAD = gender and development, GADD=Gender and Development Division, GRD=Grievance Redress Division, IPD=Institutional Partnership Division, IPU=IP Unit/Specialist, M&E = monitoring and evaluation, NPMO=National Program Management Office, PMED=Planning, Monitoring & Evaluation Division, SMD=Social Marketing Division, TA = technical assistance, YDS = youth development sessions.

- <sup>a</sup> Cash grant recipients are normally women except where cash grants are provided to single male headed households. However, in the absence of mother as the cash grantee due to out-migration or other circumstances, the most responsible adult member of the households shall be the cash grantee which does not necessarily restrict to women. 87% of grant recipients are women in 2019 with a declining trend.
- <sup>b</sup> The TA project, *Strengthening Social Protection Reform*, for \$1 million was attached to the SPSP-AF which was approved in 2016. This was converted into a transaction TA facility in November 2018, with additional funding of \$1 million to support the design and implementation of ESAP.
- <sup>c</sup> Based on the GAD Learning Needs Assessment (for all project implementers), the modular gender training will be conducted from Level 1 (foundational GAD), Level 2 (competency-based), and Issue-based ladderized GAD Capability Building interventions. The training includes orientation on the GAD mainstreaming initiatives of 4Ps, gender analysis concepts/tools, GAD planning/budgeting, GAD monitoring/evaluation, gender-responsive case management, child sexual abuse prevention, and GAD law/legal protocols.
- <sup>d</sup> Gender sensitive ladderized capacity building plan will reflect both the cultural realities and differential needs and experiences of women and men beneficiaries.
- <sup>e</sup> Gender Red Site is a repository of data and information that can be used for monitoring and response purpose of 4Ps beneficiaries who are experiencing or have experienced various forms of gendered vulnerabilities and gender-based violence.
- <sup>f</sup> Gender Mapping is a set of tools and activities to conduct gender analysis to identify the gendered vulnerabilities, gender issues and gaps that may hinder the 4Ps beneficiaries from complying with the 4Ps conditionalities. The GAD Mapping team comprised of representatives from the Department of Social Welfare and Development project staff from the field offices will review the compliance and attendance database, undertake focused groups discussion, go to home visits, and consult with the members of the local government unit.
- <sup>g</sup> Referral to the existing network partner agencies and other stakeholders including local government units, civil society organizations, Philippine National Police, Department of Education, and local health offices for handling child protection and gender-based violence related cases.
- <sup>h</sup> Gender-fair language promotes elimination of biases towards a particular sex or social gender. It advocates for non-sexist, inclusive, and neutral choice of words. It includes the use of nouns that are not gender-specific to refer to roles or professions, as well as avoidance of the pronouns he, him and his to refer to people of unknown or indeterminate gender. Memorandum Circular No. 06 series of 2014 mandates the observance of the use of gender-fair language in all government official documents, communication, and issuances.

Source: Asian Development Bank.

62. **GAP implementation arrangements.** DSWD 4Ps NPMO will spearhead GAP implementation with primary support from the Gender and Development Division and M&E Division. The Family Development Division, Grievance Redress Division, Compliance Verification Division, Social Marketing Division and Beneficiary Data Management Division will also provide specific support to targeted intervention as the member of the DSWD GAD technical working group (TWG).

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

### A. Project Design and Monitoring Framework

<b>Impact the Project Is Aligned with</b>			
A universal and transformative social protection system that builds socioeconomic resilience (Philippine Development Plan 2017–2022) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines<sup>b</sup></b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<b>Outcome</b> Education and health profile of the children of 4Ps households improved	<p>By 2026:</p> <p>a. At least 92.0% of eligible children 3–5 years old attend preschool or school at least 85% of the time (2018 baseline: Total 86.0%, female 86.3% and male 85.7%; indigenous peoples households 84.6%) (RFI 1.1)<sup>c</sup></p> <p>b. At least 92.0% of eligible children 6–14 years old attend school at least 85% of the time (2018 baseline: Total 84.9%, female 86.3% and male 83.5%; indigenous peoples households 81.9%) (RFI 1.1)<sup>c</sup></p> <p>c. At least 80.0% of eligible children 15–18 years old attend school at least 85% of the time (2018 baseline: Total 68.0%, female 71.4% and male 64.8%; indigenous people's households 62.2%) (RFI 1.1)<sup>c</sup></p> <p>d. At least 84% of pregnant women in 4Ps households deliver in health facilities (2018 baseline: 80%) (RFI 1.1)<sup>c</sup></p>	<p>a.–c. PPIS</p> <p>d. Baseline drawn from ADB staff analysis of the data collected for the IE3. Targets will be tracked under IE4</p>	<p>Fiscal space for the 4Ps is reduced because of progressive increase in the allocation to local governments</p> <p>Continued supply-side constraints on access to good schools and health facilities, and weak local government capacity reduce the effectiveness of the 4Ps</p>
<b>Outputs</b> 1. CCTs delivered effectively and on time	<p>By 2024:</p> <p>1a. At least 4,250,000 eligible 4Ps households receive CCTs (2019 baseline: 4,124,088 households) (RFI 1.1)<sup>c</sup></p> <p>1b. At least 98% of women cash grantees receive timely cash grants in at least five of the six reporting periods per year (2019 baseline: 97.5%) (RFI 1.1)<sup>c</sup></p> <p>1c. At least 98% of monitored children 0–5 years old undergo growth monitoring and health checks in accordance with DOH protocol (2018 baseline: Total 93.7%, female 93.7% and male 93.7%; indigenous peoples households 90.6% and non-indigenous peoples households 93.8%) (RFI 1.1)<sup>c</sup></p> <p>1d. At least 97% monitored households attend monthly FDSs (2019 baseline: 93.3%) (RFI 1.1)<sup>c</sup></p>	<p>1a. Listahanan 3 data maintained by the National Household Targeting Office, DSWD</p> <p>1b. PPIS</p> <p>1c. PPIS</p> <p>1d. FDS management information service</p>	<p>Delays in Listahanan 3 and/or gaps in the surveys' coverage prevent timely and comprehensive updating of the list of poor households eligible for the 4Ps</p> <p>Households that are new to the 4Ps (i.e., included for the first time in Listahanan 3) may have limited exposure to it before the fourth impact evaluation</p>
(Under TA facility) 2. CCT delivery systems	2a. Annual gender mapping to identify gender-related issues, including gender-based violence cases and/or early marriage and/or pregnancy expanded to	2a. Training reports, 4Ps annual reports, gender action plan monitoring reports,	

Results Chain	Performance Indicators with Targets and Baselines <sup>b</sup>	Data Sources and Reporting Mechanisms	Risks
strengthened	<p>340 sites (2019 baseline: 13 sites) (RFI 1.1)<sup>c</sup></p> <p>2b. At least five modules (e.g., on livelihoods, disaster resilience, and adolescent pregnancies) updated and used in the FDS (2019 baseline: 0) (RFI 1.1)<sup>c</sup></p> <p>2c. At least 95% of monitored children 6–18 years old in 4Ps households are assigned a DepEd’s Learner Reference Number in the PPIS (2019 baseline: 58%) (RFI 1.1)<sup>c</sup></p> <p>2d. Registration increased to cover at least 95% of all children to expand monitoring for health and education compliance in 4Ps households (2018 baseline: 67%) (RFI 1.1)<sup>c</sup></p>	<p>and PPIS</p> <p>2b. Updated FDS modules on these topics</p> <p>2c. National Program Management Office’s monitoring reports</p> <p>2d. Baseline drawn from the third impact evaluation. Target coverage will be based on Listahanan 3 data</p>	
(Under TA facility) 3. Awareness building, connections with complementary social programs, project management, and evaluation capacity strengthened	<p>3a. List of eligible households for 4Ps is updated and progressively linked to Listahanan 3 by 1 January 2022 (2019 baseline: List of 4Ps-eligible households is not updated and is based on Listahanan 1) (RFI 1.1)<sup>c</sup></p> <p>3b. DSWD-led graduation<sup>d</sup> approach launched in three sites by 2022 (2019 baseline: None) (RFI 1.1)<sup>c</sup></p> <p>3c. The fourth impact evaluation completed before June 2023 (2019 baseline: Three rounds of impact evaluation completed) (RFI 1.1)<sup>c</sup></p> <p>3d. Culture-sensitivity and gender-responsive case management guidelines included in the project operations manual (2019 baseline: 0) (RFI 1.1)<sup>c</sup></p>	<p>3a.–b. DSWD Listahanan database maintained by NHTO and PPIS reports</p> <p>3c. Report submitted by the Philippine Institute for Development Studies</p> <p>3d. Gender and Development Monitoring Report plus revised operations manual</p>	

#### Key Activities with Milestones

##### 1. Conditional cash transfers delivered effectively and on time

- 1.1 Verify new household registry based on Listahanan 3 and integrate into PPIS (by Q2 2021).
- 1.2 Identify, enroll, and distribute cash cards to new beneficiaries (from Q2 2021).
- 1.3 Prepare and transmit updated beneficiary payrolls to the Land Bank of the Philippines (from Q2 2020).

##### 2. CCT delivery system strengthened

- 2.1 The DSWD to sign agreements with partner agencies (DepEd, DOH, Philippine Statistics Authority) for data sharing (by Q2 2020).
- 2.2 Design IT reform road map to streamline business processes and upgrade program systems covering registry, beneficiary update, compliance verification, grievance, and payment (by Q1 2021).
- 2.3 Integrate PPIS with the Learner Information System of DepEd and Integrated Clinic Information System of the DOH (by Q3 2021).
- 2.4 Prepare new modules for FDS and youth development sessions (by Q4 2021).

##### 3. Awareness building, connections with complementary social programs, project management, and evaluation capacity strengthened



<p>3.1 Update gender-responsive and culturally sensitive training materials and methodologies for FDSs and youth development sessions (by Q2 2021).</p> <p>3.2 Provide inputs for the design of the fourth impact evaluation (Q4 2020).</p> <p>3.3 Develop options for graduation strategy through livelihood, technical and vocational education and training, and other interventions (Q4 2020).</p>
<p><b>Project Management Activities</b>  Indigenous peoples plan rollout of key activities (Q4 2022); gender action plan rollout of key activities (Q4 2020); communications plan rollout (Q1 2021); annual, midterm (Q3 2022), and project completion (Q4 2024) reviews.</p>
<p><b>Inputs</b>  ADB: \$500.0 million (loan); \$1.0 million (TA)  Government of the Philippines: \$7,506.6 million</p>
<p><b>Assumptions for Partner Financing</b>  The World Bank is providing parallel funding support to strengthen project implementation, monitoring, and evaluation procedures, including the upgrade of the CCT program management information system, payment systems, and grievance redress system. The World Bank parallel cofinancing will be on a joint collaborative basis and not administered by ADB.</p>

4Ps = Pantawid Pamilyang Pilipino Program, ADB = Asian Development Bank, CCT = conditional cash transfer, DepEd = Department of Education, DOH = Department of Health, DSWD = Department of Social Welfare and Development, FDS = family development sessions, Listahanan = National Household Targeting System for Poverty Reduction, PPIS = Pantawid Pamilya Information System, Q = quarter, TA = technical assistance.

<sup>a</sup> Government of the Philippines, National Economic and Development Authority. 2017. *Philippine Development Plan 2017–2022*. Pasig City.

<sup>b</sup> The baselines may change after Listahanan 3 since it will take time for new households to comply satisfactorily with the conditionalities and to show the level of behavioral changes exhibited by households that were covered by the 4Ps for several years.

**Contribution results framework:**

<sup>c</sup> RFI 1.1: At least 4,250,000 households benefiting from improved health services, education services, or social protection.

<sup>d</sup> The graduation programs will be informed by a comprehensive support package, including technical skills training, transfer of productive assets, regular home visits for life skills training and coaching, enterprise development support, financial literacy training and savings promotion, and access to health care or health information as “cash plus” or “productive inclusion” programs, based on the specific needs of the targeted households.

Source: Asian Development Bank.

## B. Monitoring

63. **Performance monitoring.** The 4Ps M&E system has three components, as per the 4Ps Operations Manual (2015):

- (i) **Internal monitoring** looks at critical operation areas of the program cycle, including targeting, registration, and compliance with program conditionalities. It also covers payments of cash grants, updates, filing of complaints and grievances, and supply-side assessments through data analysis and generation of reports by taking into consideration of gender and culture specific challenges and concerns.
- (ii) **External monitoring** through spot checks is an in-depth investigation of 4Ps operations by gathering evidence needed for the assessment of the performance of program implementation in key areas, as identified by external parties and DSWD management. DSWD engages independent external local institutions and organizations to conduct spot checks that take into consideration of gender and culture specific challenges and concerns.
- (iii) **Impact evaluation** – both qualitative and quantitative – determines the program’s achievement of its desired outcomes and the effect on beneficiaries that can be attributed to 4Ps. It measures improvements in selected health, nutrition, education, and other socio-economic indicators as a result of compliance with the program conditionalities and receipt of cash grants. The three objectives of 4Ps impact evaluation (see Section C.) are to measure program impact, to provide a basis for enhancements in program design, and to provide a basis for program

replication in other areas that considers gender and culture specific challenges, concerns, and approaches sensitive to the social and cultural context of indigenous peoples.

64. **Internal monitoring.** The internal monitoring system covers all aspects of 4Ps implementation and data will be sex and ethnicity disaggregated, including the following: (i) registration of beneficiaries; (ii) verification of compliance with conditionalities (Compliance Verification System or CVS); (iii) payments of cash grants to households; (iv) Grievance Redress System (GRS); (v) updates of beneficiary information; (vi) supply-side assessments for health and education; (vii) budget execution; (viii) social marketing; and (ix) capacity building. Each of these modules corresponds to a stage of the 4Ps implementation cycle and has been developed in accordance with specifications laid out in the 4Ps Operations Manual.

65. **External monitoring.** Spot checks are rapid evaluation instruments to assess the quality, effectiveness and efficiency of 4Ps with respect to design, management, institutional, monitoring and evaluation and other aspects of the program. Interviews are conducted with different stakeholders, including household beneficiaries, parent leaders, schools and health facilities, Municipal Links, LBP officials, local government unit representatives, and regional office personnel. Spot checks analysis in the past has covered: targeting, registration, compliance verification, payments, social marketing, training, updates, and the grievance redress system. The project will ensure that spot checks will be conducted to ensure that enumerators do not overlook or avoid remote households in IP areas, especially in isolated communities.

66. Spot checks were conducted twice per year in set 1 areas for the first two years, then once a year thereafter (financed by the World Bank.) The first full-scale spot check was in July 2010. For sets 2 and 3 (financed under the original SPSP), spot checks were done twice a year, starting in 2012, and once in 2015 and 2016. To ensure consistency in methods and quality, spot checks funded under the original ADB loan were awarded on a sole source basis to Social Weather Stations, the same contractor as for set 1 evaluation funded through the World Bank loan but under separate contract. DSWD will continue to implement annual external spot checks with funding from the Government of Philippines beginning in 2016. The external spot checks will apply to the cash grants financed by both ADB and World Bank, and will be shared among stakeholders. The methodology is set out in the 4Ps Operations Manual.

## 1. Institutional Arrangements for Project Performance Monitoring

67. The 4Ps NPMO is responsible for both internal and external monitoring systems. They liaise with focal persons in the NPMO and partners for technical aspects of the program to ensure that the monitoring system accurately reflects 4Ps policies, selects appropriate indicators, and provides an efficient information base and set of monitoring tools for program management and policy development.

68. The ICTMS is primarily responsible for promoting the effective use of ICT. It maintains the PPIS to facilitate payment and reflect verification of compliance, updates, and the resolution of grievances. The ICTMS plays a key role given the very large number of program beneficiaries.

69. DSWD field offices and Municipal links contribute to populating and maintaining the various databases. A large part of their responsibilities is the maintenance of the monitoring systems. Municipal Links are particularly critical to monitoring, as they perform the bulk of primary data collection tasks (using the forms created by the M&E and Management Information System units). The field offices in turn supervise data collection, consolidate and transmit data to the

national MIS and, in some cases (CVS, GRS, updating) encode the data before they are transmitted.

## 2. Compliance Monitoring

70. **Safeguards monitoring.** The IPP will be monitored as described in Section VII, on a semi-annual basis, using the IPP monitoring indicators in Table 15.

71. **Gender and social dimensions monitoring.** The implementation of the GAP will be monitored on a semi-annual basis, using the GAP monitoring indicators in Table 16.

## C. Evaluation

72. Three types of evaluation activities have been conducted in the past 10 years of 4Ps operation, including (i) a *qualitative evaluation* to document the processes that lead to current indicators, and assess the short-term outcomes and impact of the program; (ii) rigorously designed series of *quantitative impact evaluation* to estimate the program's impact on the long and short-term target indicators; and (iii) M&E studies on key project processes. DSWD organized a TWG for the conduct of impact evaluations. ADB, Department of Foreign Affairs and Trade of the Government of Australia, and the World Bank have supported a number of rigorous quantitative impact evaluation studies on 4Ps in coordination with DSWD and the Philippine Institute for Development Studies (PIDS). They rolled out a joint 3-waves of impact evaluations employing various methods and analyses such as randomized control trial, difference-in-difference, and regression discontinuity design, as well as cohort analyses such as rural-urban, gender. Social Weather Stations provided assistance in data collection. The World Bank supported the first two waves in 2011 and 2013, while ADB financed the 3<sup>rd</sup> wave in 2015. The Philippine Government has also funded the third impact evaluation conducted in 2017-2018.<sup>25</sup>

73. The 4Ps Act provides that PIDS shall conduct an impact assessment every 3 years to evaluate the effectiveness of the 4Ps, the veracity of the list of household-beneficiaries and the program implementation. In view of the mandate given to PIDS, it may be worthwhile for DSWD to (i) maintain and even expand the membership of the TWG to allow continuity and co-creation of robust policy-relevant knowledge to inform policy decisions on 4Ps and social programs; (ii) employ the most appropriate methods and analytical tools in generating reliable empirical results, and sound policy recommendations; and (iii) where appropriate, use of mixed methods – quantitative and qualitative – should be likewise be considered.

74. **Monitoring and evaluation studies.** A number of M&E studies may include a qualitative study on the FDS and YDS, and linkages with other social service delivery agencies, platforms and programs.

## D. Reporting

75. DSWD will provide ADB with (i) semi-annual progress reports in a format consistent with ADB's project performance reporting system, including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, and (c) updated implementation plan for the next 12 months; and (ii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited

<sup>25</sup> The full 2012, 2014, and 2019 impact evaluation reports are available at <http://www.dswd.gov.ph>.

financial statement together with the associated auditor's report, should be adequately reviewed. To ensure 4Ps continues to be both viable and sustainable, DSWD's audited financial statements, together with the DSWD Consolidated Annual Audit Report, should be adequately reviewed.

76. **ADB review missions.** ADB will undertake semi-annual review missions, on receipt of DSWD's semi-annual progress reports, and a mid-term review mission 24 months after loan effectiveness. The semi-annual progress report will include updates on implementation of financial management action plans, and the review mission will include monitoring of the financial management action plan. At DSWD's request, ADB will endeavor to undertake review missions jointly with the World Bank and other development partners. The output of the review missions will be an aide memoire summarizing findings and any follow-up actions. The output of the mid-term review will be a memorandum of understanding capturing any required adjustments to the project.

77. **Project completion report.** One month prior to the project closing date, DSWD will submit a project completion report to ADB.<sup>26</sup>

## E. Stakeholder Communication Strategy

78. A Stakeholder Communications Strategy (SCS) has been prepared for ESAP to guide the project through the process of communicating messages targeted towards chosen audience and delivered through multiple channels. The SCS will communicate ESAP's activities and outputs, lessons from project experiences and messages to motivate stakeholders to graduate from poverty and sustain themselves. Particular focus is given to the approaches used to achieve outcome and outputs: the project's family development approach, motivation to avail basic services in education and health and increasing civic literacy. These will be achieved by maintaining clear, consistent, relevant, up-to-date and user-friendly messaging/information to stakeholders. The strategy complies with ADB's Public Communications Policy and the ADB's Stakeholder Communications Guide.

79. The SCS will underpin and guide the communication for: (i) *internal communications* to support the NPMO and DSWD field offices for more effective coordination, identifying emerging trends, planning and coordination to ensure efficient functioning of project implementation; and (ii) *external communications* to supporting conveying information about the project and its outcome and outputs to stakeholders outside of project structure, including the general public.

80. The SCS pays particular attention to the following:

- General information on ESAP, its implementing mechanisms, outcomes and outputs;
- Information on project interventions to ensure beneficiaries get the most from the project, particularly the women, youth and indigenous peoples;
- Disclosure requirements on safeguards, grievance and such other disclosure requirements for ADB and partner-supported projects; and
- Learning and knowledge sharing from project experience.

81. **Approach.** Communication strategies and tools are designed to deliver information and messages to beneficiaries so they can participate fully in project implementation. Communication processes and tools also facilitate information sharing and feedback among stakeholders and

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<sup>26</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

project implementers to enable them to make informed decisions about the project and its interventions. Communications tools, methodologies and media suitable to specifically targeted group will be used.

82. Carefully selected communication processes and tools will reinforce knowledge and information sharing about ESAP, including translating messages into local language and information materials into user-friendly, understandable and popularized formats and tools that are gender sensitive and culturally acceptable to the various ethnic groups targeted by ESAP.

83. **Communication objectives.** The SCS has the following objectives: (i) improving beneficiaries' understanding of graduation from poverty; (ii) exploring synergies and collaboration; (iii) building broad support; and (iv) building capacities of beneficiaries, implementers and partners.

(i) *Improving beneficiaries' understanding of ESAP, 4Ps, and graduation from poverty.* The SCS shall raise awareness on improving stakeholder well-being and community participation. Aside from the cash grants, the program shall consistently provide information about the values of education, health, parenting and community development. It will inform and educate stakeholders on economic empowerment. The SCS shall sustain the attendance of program beneficiaries to FDS to ensure they learn and apply these learnings to their practical lives.

(ii) *Exploring synergies and collaboration.* The SCS shall engage partner government agencies, local chief executives and private sector on complementing the 4Ps with their own programs. Members of the NAC shall be convened regularly for information sharing, policy making, critical decision making, project implementation and promotion. It shall also communicate safeguard and gender policies and plans of the project.

(iii) *Building broad support.* The SCS shall engage stakeholders by creating space for participating in different venues for discussion and sharing program experiences, opening opportunities for stakeholders to feedback on program design and implementation. Through the NAC, Information Officers of government agencies shall be convened for program promotion and experience sharing in traditional and social media.

(iv) *Building capacities of beneficiaries, implementers and partners.* To ensure appropriate communication of program key messages, the SCS shall build the competencies of the parent leaders to take a more active role in social facilitation of program beneficiaries. The SCS shall include opportunities for improving program communication skills of implementers and partners in the public and private sectors. The SCS shall also employ tools to make coordination more efficient.

84. Based on these objectives the main communications plan is defined, and described in the Stakeholder Communication Strategy matrix (Table 17).

**Table 17: Stakeholder Communication Strategy**

Objective	Stakeholder Group	Function in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
Improving beneficiaries' understanding of graduation from poverty	4Ps beneficiaries	Clients	Government support (policies, programs) to help people graduate from poverty  Sustainable livelihood and income generating projects  Values of education, improved health, appropriate parenting and active participation in community development	Updated FDS  Livelihood seminars/ FDS with relevant government agencies, civil society organizations and private sector partners  IEC materials (e.g. posters, calendars, journals)  Community assemblies  FDS	Continuous throughout the project	NPMO-FDD, in collaboration with other government agencies through the National Advisory Council  DSWD field officers  NPMO-FDD and SMD  DSWD field offices	Refer to IOC under GOP funding and Technical Assistance
Exploring synergies and collaboration	Partner national government agencies of 4Ps	Policy makers, decision makers, program implementers, promoters	Policies and programs for the poor that complement each other effectively and efficiently  Project results, good practices	NAC meetings  Regional Directors' Consultation Workshop  Development Communication Coordinating Network (Devcom Net)	Continuous throughout the project  Quarterly	DSWD, NPMO, NAC	GOP resources under IOC
	Local chief executives	Policy makers, decision makers, program implementers, promoters	LGU counterparts on social welfare development programs, with policy support	MAC, MIAC  PAC, PIAC	Continuous throughout the project	DSWD, NPMO, PIAC/PAC, MIAC/MAC	GOP

Objective	Stakeholder Group	Function in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
			Integration of 4Ps targets in Executive Legislative Agenda, Comprehensive Development Plan, and Annual Investment Plan				
Building broad support	General public	Social and political supporters	Project results  Good practices, success stories	DSWD and ADB websites and other social media  Traditional media (newspaper, radio, TV)	Throughout the project	DSWD, NPMO-SMD  DSWD field offices	GOP
Building capacities of beneficiaries, implementers and partners	Parent leaders	Community leaders	Self-development, improved family life, active participation in community development, economic empowerment	Training  Self-help groups	Throughout the project	NPMO-Capacity Building Division, FDD  DSWD field offices	GOP
	Program staff (city/municipal links, FDD, Capacity Building Division, Planning, Monitoring and Evaluation Division)	Implementers	Beneficiaries learning gains and needs	FDS Information System	Throughout the project	NPMO-FDD	GOP
	Partner national government agencies of 4Ps	Policy makers, decision makers, program implementers, promoters	Project results, good practices	National skill-share conference	Before end of project life	NPMO-FDD and social marketing division	Refer to costs of Technical Assistance and GOP resources under IOC

Objective	Stakeholder Group	Function in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
Support disclosure requirements of ESAP	4Ps beneficiaries, especially marginalized sector (women, IPs, PWDs)  NPMO staff and consultants on gender and safeguards,  General public	clients  Project implementers  Social and political supporters	GAP  IPP  Safeguard monitoring reports  Project information documents and progress reports  Grievance redress system and information on how to file grievances,  Audit disclosure and Procurement information.	ADB and DSWD project website  Gender and cultural sensitivity orientation of beneficiaries  Consultation with and participation of beneficiaries (especially marginalized sectors, i.e. women, youth, IPs) in project cycle and operations  Manual on grievance redress and posters or notices in community boards and conspicuous places  Quality assurance reviews and multi-stakeholder reviews	Throughout the project  During social preparation  Bi-annually for monitoring reports and progress reports  Annually for audit reports  As often as needed for procurement reports and safeguard measures	NPMO  DSWD field offices	Refer to costs of Technical Assistance and GOP resources under IOC

4Ps = *Pantawid Pamilyang Pilipino* Program, ADB = Asian Development Bank, DSWD = Department of Social Welfare and Development, ESAP = Expanded Social Assistance Project, FDD = family development division, FDS = family development sessions, GAP = Gender Action Plan, GOP = Government of the Philippines, IEC = information, education campaign, IOC = incremental operating costs, IP = indigenous people, IPP = Indigenous Peoples Plan, LGU = local government unit, MAC = municipal advisory council, MIAC = municipal interagency council, NPMO = national program management office, PAC = Provincial Advisory Council, PIAC = Provincial Inter-Agency Council, PWD = persons with disability, SMD = social marketing division.

Source: Asian Development Bank.



85. **SCS implementation arrangements.** The Social Marketing Division (SMD) is responsible for marketing and advocacy efforts of 4Ps from the national down to the barangay level. It promotes public acceptance of the program, and work to generate support from the different stakeholders during its implementation. It is also responsible for developing, disseminating and monitoring advocacy and marketing materials at all levels of the program implementation – national and subnational levels. A social marketing framework (included in the 4Ps Operations Manual) guides the Information Officers in implementing advocacy and social marketing initiatives at the national and regional levels. SMD undertakes annual communications planning together with 4Ps Information Officers to develop a Social Marketing Plan that are gender responsive and IP sensitive in accordance with the DSWD’s overall communication thrust.

86. **Evaluation and monitoring.** Formal and informal monitoring of implementation of the SCS will be a function of the PMED, in coordination with the SMD. Feedback and lessons learned regarding what works and not will inform improvement and revisions to the strategy. This SCS will be updated regularly as necessary and remain a living document.

87. **Summary.** A Stakeholder Communication Strategy has been prepared, drawing on best practices outlined in ADB’s Public Communication Policy.<sup>27</sup> It is based on principles of transparency, timeliness, meaningful participation, and inclusiveness. It will ensure that marginalized groups, such as women, youth and indigenous peoples, are provided with opportunities to receive timely information, and can provide feedback during project implementation. Stakeholders include: (i) project beneficiaries in project areas and villages; (ii) civil society organizations, private organizations and service providers collaborating to achieve project outcomes; (iii) women, youth and indigenous peoples; (iv) government agencies with a role in the project at all levels; (v) project implementers from the community to national level; (vi) development partners; and (vii) the general public.

88. **Disclosure.** Requirements for disclosure (safeguards, gender, audit reports, and project progress) will be supported by the strategy. ADB requires the disclosure of safeguard frameworks, and plans through the website and in consultations with target communities. The SCS will support the project’s consultation and participation strategy in ensuring that villagers are aware of safeguard policies, entitlements and grievance procedures. The project also requires that reports are submitted and disclosed at regular intervals, including monitoring reports, progress reports, and audited financial statements (including the auditor’s opinion on the project financial statements).

## X. ANTICORRUPTION POLICY

89. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.<sup>28</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency. Individuals and/or entities on ADB’s anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.<sup>29</sup>

90. To support these efforts, relevant provisions are included in the loan agreement/regulations. The project has low corruption risks due to the nature of 4Ps and DSWD’s established fiduciary and internal controls. At any rate, the borrower and ADB discussed

<sup>27</sup> ADB. 2011. *Public Communication Policy 2011: Disclosure and Exchange of Information*. Manila.

<sup>28</sup> Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>29</sup> ADB’s Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

governance risk assessment and mitigation plan and specific mitigation the project will implement to further strengthen financial accountability. These mitigation measures are identified in a governance risk assessment conducted as part of the program preparation per the Second Governance and Anticorruption Action Plan.<sup>30</sup>

## **XI. ACCOUNTABILITY MECHANISM**

91. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>31</sup>

## **XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL**

92. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the Project Administration Manual, including revision to contract awards and disbursement s-curves.

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<sup>30</sup> Governance and Anticorruption Action Plan II Guidelines. <http://www.adb.org/Documents/Guidelines/GACAP-II-Guidelines.pdf>. See also Sourcebook: Diagnostics to Assist Preparation of Governance Risk Assessments. <http://www.adb.org/documents/books/Diagnostics-to-Assist-Preparation-of-GRAs/default.asp>.

<sup>31</sup> Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

## FINANCIAL MANAGEMENT RISK ASSESSMENT AND MITIGATION

1. A number of weaknesses and challenges have been identified as shown in Table 1.1, together with the mitigation measures, which will be closely monitored during implementation. The overall assessment of financial management risk before mitigation is rated as *substantial*. The post mitigation risk is rated as *moderate*.

**Table 1.1: Summary of Inherent Risks and Mitigation Measures**

Risk	Risk Assessment (w/o mitigation)	Risk Mitigation Measures
<b>Inherent Risk<sup>a</sup></b>		
<b>Country level risks</b> Overall weak PFM system, especially on budgeting (difficulty in establishing precise entity annual budgets), accounting (compliance with rules and regulations) and external audit (limited legislative scrutiny of COA reports)	Substantial	Continue policy dialogue with the government to encourage PFM reforms, especially those focusing on budgeting (accounting and external audit (improve the functioning of the Joint Congressional Oversight Committee on public expenditures). <sup>b</sup>
<b>Entity-specific risks</b> Unclear roles among the organizational entities involved in implementing the 4Ps	Moderate	Joint memorandum circular between DSWD, other NGAs and LGUs to define better reporting and feedback mechanisms. Regular meetings of the National Advisory Council to address coordination issues
<b>Overall Inherent Risk</b>	<b>Moderate-Substantial</b>	
<b>Program Risks<sup>c</sup></b>		
<b>Program-specific risks</b> <b>Information systems.</b> 4Ps has no computerized system in place to capture and integrate significant and necessary program management and financial information.	Moderate	DSWD to develop an integrated information system that will enable linkage between the NPMO and the FMS-SP to readily capture significant and necessary information at any time.
<b>Accounting and internal controls<sup>d</sup></b> Accounting policies and procedures- DSWD faces challenges in ensuring the accuracy of financial recording and reporting due to the delay in the full implementation of electronic national government accounting system in 11 out of 16 field offices.	Substantial	DSWD to identify the causes of delay in the implementation of electronic national government accounting system in 11 out of 16 field offices and immediately prepare and execute an implementation plan to assist the field offices.
Limited storage space in the field offices exposing the original financial records to damage and theft	Moderate	DSWD to: a) allocate funds for the construction/expansion of existing storage space; and b) have consultation dialogue with COA on the possibility of allowing submission of true digital copies of original financial records.
<b>External Audit</b> COA does not issue separate audit opinion for 4Ps due to the absence of a separate 4Ps financial statement from the DSWD.	Substantial	DSWD to revive the account Fund Cluster 1: Regular Agency Fund, Fund Category 101: Social Protection Support Program previously used for the original

		loan from ADB to allow the issuance of separate financial statement for audit by COA.
<b>Internal Audit</b> DSWD internal auditors lack the technical capacity to audit the IT-based systems of 4Ps	Moderate	4Ps to develop an orientation/training module on program systems purposely for internal audit staff
<b>Funds Flow</b> 4Ps' system to monitor post payroll activities is inadequate, resulting in unnecessary accumulation of unpaid and unclaimed cash grants.	Substantial	DSWD to (a) strengthen the post payroll evaluation and validation activities being done with LBP and enhance, if necessary, the current electronic payment reconciliation system, (b) complete the conversion of mode of payment from over the counter to cash card; (c) deploy monitoring module for cash card distribution in the current cash grants payroll system; and (d) improve the beneficiary update system and the grievance redress system.  In the case of BARMM, DSWD to fast track the cleansing of the Pantawid data beneficiaries to facilitate the conversion of mode of payment from over the counter to cash card.
DSWD has not revised/updated the MOA between Land Bank to define the arrangements in relation to cash card as the primary mode of payment, which threatens the on-time and efficient release of cash grants to eligible household beneficiaries	Substantial	DSWD to work with LBP on the updating/revision of the MOA to ensure on-time and efficient delivery of cash benefits to beneficiaries
<b>Overall Project Risk</b>	<b>Substantial</b>	
<b>Overall Risk</b>	<b>Substantial</b>	

4Ps = Pantawid Pamilyang Pilipino Program, BARMM = Bangsamoro Autonomous Region in Muslim Mindanao, COA = Commission on Audit, DSWD = Department of Social Welfare and Development, FMS-SP = financial management services for special projects, LBP = Land Bank of the Philippines, LGU = local government units, MOA = memorandum of agreement, NGA = national government agency, NPMO = national program management office, PFM = public financial management.

Notes:

- <sup>a</sup> Inherent risk is the susceptibility of the program financial management system to factors present in its operating environment, such as country- or sector-level rules and regulations, and the agency's working environment (assuming absence of any checks or internal controls).
- <sup>b</sup> ADB. 2016. Social Protection Support Project- Additional Financing. *Financial Management Assessment*. Manila.
- <sup>c</sup> Program Risk is the risk that the programs accounting and internal control framework are inadequate to ensure program funds are used economically and efficiently and for the purpose intended, and that the use of funds is properly reported.
- <sup>d</sup> Control risk is the risk that the program's accounting and internal control framework are inadequate to ensure program funds are used economically and efficiently and for the purpose intended, and that the use of funds is properly reported.

Source: Asian Development Bank.

**STATEMENT OF EXPENDITURE FORM  
DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT  
PANTAWID PAMILYANG PILIPINO PROGRAM**

FOR THE PERIOD: \_\_\_\_\_

**Consolidated Statement of Compliance Verification System (CVS) Payrolls for  
Beneficiaries**

**HEALTH AND EDUCATION CASH GRANTS**

REGION	NO. OF HH	HEALTH (P)	EDUCATION (P)	TOTAL (P)
NCR				
I				
CAR				
II				
III				
IVA				
IVB				
V				
VI				
VII				
VIII				
IX				
X				
XI				
XII				
CARAGA				
ARMM				
<b>TOTAL</b>				

**CERTIFICATION**

This is to certify that the payment of cash grants indicated in the above schedule is consistent with the provisions in the Pantawid Operations Manual; particularly on the Program conditions for provision of CCT Grants for Health and Education as verified by the Compliance Verification System.

Prepared by:

Reviewed by:

Certified Correct:

Approved as to Compliance:

Approved as to Funding: