**Terms of Reference: National Community Driven Development Program Philippines**

**A Review of Governance and Anti-Corruption (GAC) Risks**

1. **Background**

KALAHI-CIDSS (KC) is a flagship poverty alleviation program of the Government of the Philippines, implemented by the Department of Social Welfare & Development (DSWD) with support from the World Bank and the Millennium Challenge Corporation.

Employing a community driven-development (CDD) approach, the objective of the program is to “empower local communities in targeted poor municipalities and selected urban areas to achieve improved access to sustainable basic public services and to participate in more inclusive Local Government Unit (LGU) planning and budgeting.” By transferring resources and decision-making power directly to community groups, the program seeks to improve allocative efficiency, equity, and result in more cost-effective and transparent delivery of outputs than traditional top-down methods for local development, as well as at the same time empowering communities through the provision of power to make decisions and skills development.

The program has been running since 2002 and operates in over 200 municipalities in the 42 poorest provinces of the Philippines.

A recent rigorous Impact Evaluation of the program demonstrated that it has increased household consumption, improved access to basic services and had positive impacts on social capital in target areas. This has been achieved with very few recorded governance issues.

National CDD Program

Building on this success, the Government of the Philippines is in the preliminary stages of a possible scale-up of KALAHI-CIDSS into a National Community-Driven Development Program (NCDDP). As presently conceived, the NCDDP could cover over 900 municipalities. The scale-up could also include closer linkages with the Department of Interior and Local Government (DILG) to improve local governance and with sector line agencies (such as the Departments of Education, Health and Agriculture) to promote the use of the CDD approach as a platform for the delivery of basic services at the community level. DSWD has requested technical assistance from the World Bank to support preparation of the NCDDP.

Governance Risks

Global and Philippine experience on scaling-up CDD programs suggests that a number of vulnerabilities to fraud and corruption could emerge. The highly dispersed implementation (across thousands of villages), and numerous small-scale transactions, make the program difficult to supervise and monitor.

Expansion strains financial, procurement and monitoring and other accountability systems, opening up the prospects for governance and anti-corruption (GAC) concerns at all levels, including procurement irregularities, elite capture at the local level and misuse of funds. These risks tend to become greater in inaccessible areas (such as those affected by conflict) and the longer the program stays in a particular area, as project staff, officials and community members learn how to “game” the system. The scale-up and expansion will require a carefully designed strategy to anticipate and mitigate these risks.

Accordingly, at this early stage in the preparation of the National CDD program, the World Bank, in cooperation with DSWD, is commissioning a study to review GAC risks under KALAHI-CIDSS to inform design improvements in the existing program and inform the design of the NCDDP. This study will complement a parallel review of the KALAHI-CIDSS Grievance Redress System being undertaken by DSWD.

1. **Objective**

The objective of this assignment is to identify possible weak points in the use and application of funding under the KALAHI-CIDSS program and to develop appropriate anti-corruption mechanisms to ensure the grants reach the intended beneficiaries for the intended purpose, in line with program guidelines.

The review will analyze of two forms of processes: (i) those which related to planning and implementation in the KALAHI-CIDSS program cycle; and (ii) those which relate to the suite of Social Accountability mechanisms in place to strengthen integrity of implementation.

1. **Scope of Work**

The assignment will involve three inter-related pieces of work:

1. *Desk Review*: a desk review of national and international experience of risks and means to reduce the risk of fraud and corruption in CDD programming. This will include, *inter alia*:
   1. Documentation on GAC risks in World Bank-funded CDD programs, including the recent World Bank Integrity Vice Presidency (INT) report on the Kenya Arid Lands Resource Management Project Phase II;
   2. Mining of data from the KALAHI-CIDSS Grievance Redress System to identify key weaknesses;
   3. World Bank research reports and evaluations on KALAHI-CIDSS; and
   4. World Bank Aides Memoire from KALAHI-CIDSS Implementation Support Missions
2. *Process Risk Mapping*: utilizing a Process Risk Mapping/value chain approach, study the existing program design of KALAHI-CIDSS to identify and plug vulnerability and leaks in all stages of the project, as described in the Operations Manual. Key stages to review include:
   * 1. Participatory Situational Analysis;
     2. Barangay Assemblies and community prioritization;
     3. Community prioritization and approval; and
     4. Implementation of sub-projects, including procurement and financial management arrangements.

The Process Risk Mapping approach maps out each step in the KALAHI-CIDSS process, identifies decision-making points and highlights those points characterized by a high-level of discretion, unguided by project procedures or clear accountability mechanisms.

1. *Field Review*: building on the desk and process risk reviews, conduct interviews, focus group discussions and workshops in XX locations to flesh out weak points and gather field data on suggestions to prevent and address current and potential GAC risks. The field sites should target problem locations, to be identified based on data from the KALAHI-CIDSS Grievance Redress System and input from DSWD. These sites will include at least one province affected by conflict and one with a high concentration of Indigenous Peoples. Field review activities will include an assessment of the effectiveness of Social Accountability mechanisms imbedded in the project design that are geared towards strengthening program integrity. These include information boards, the program communication strategy and social audit (DO WE HAVE THIS?).

A diagram depicting the sixteen steps in the KALAHI-CIDSS Community Empowerment Activity Cycle (CEAC) is attached at Annex 1.

1. **Outputs & Schedule**

Outputs

The outputs to be produced are as follows:

* Desk review of no more than twenty pages summarizing GAC risks in KALAHI-CIDSS and CDD programs globally.
* Process Risk Maps covering each step in the KALAHI-CIDSS process.
* Overall report, that draws on 1 & 2 and the field visits that lays out vulnerabilities and weak points in the design and implementation of KALAHI-CIDSS, plus concrete, actionable recommendations to strengthen integrity systems. These recommendations could include suggestions on how to better employ Information and Communication Technology (ICT) to enhance feedback from and monitoring of outputs and outcomes by communities.

Schedule

* November 2011 – Review of documents
* December 2011 – produce process risk maps based on workshop with key DSWD staff
* December 2011-January 2012 – field work
* February 2012 – submit draft report and conduct workshop with DSWD and other stakeholders to present and verify findings.
* March 2012 – final report.

1. **Input from the World Bank & DSWD**

The World Bank will provide relevant documentation for the desk review and input and advice on the subsequent phases.

DSWD will provide documentation for the desk review, participation of relevant national and field level staff in the process risk mapping exercise (interviews, review of process risk maps, workshops) and coordination of field sites to be visited and surveyed.

1. **Qualifications**

The consultant(s) shall have the following set of skills and qualifications:

1. Advanced degree in social sciences or related disciplines
2. At least ten years of experience in participatory community development
3. Advanced knowledge and expertise in governance and anticorruption and social accountability
4. Extensive field experience in the Philippines
5. Strong oral and written communication skills in Tagalog and English
6. Ability to deliver on a tight deadline in a timely manner.

ANNEX 1: KALAHI-CIDSS COMMUNITY EMPOWERMENT ACTIVITY CYCLE (CEAC)

