KALAHI-CIDSS –

Operations Manual

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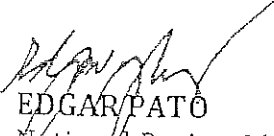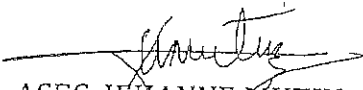# DISCLAIMER

This Operations Manual is a working document formulated through the joint efforts of the Office of the Presidential Adviser on the Peace Process (OPAPP) and the National Project Management Office of the Department of Social Welfare and Development (DSWD) – Kapig Bisig Laban saKahirapan-Comprehensive and Integrated Delivery of Social Services(KALAHI-CIDSS). It aims to guide field workers assisting the PAMANA Areas.

Should the need arise; the Manual will be updated upon the mutual agreement of both parties to respond to the changing situations and realities of PAMANA and KALAHI-CIDSS areas.

This manual will serve as a guide for community facilitators and volunteers working in targeted PAMANA areas within the current operational areas of KALAHI-CIDSS

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INTRODUCTION

This manual of operations for the implementation of KALAHI-CIDSS-PAMANA (Kapit Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services and PAyapa at MAsaganang PamayaNAn) adopts and builds on the existing general operations manual of KALAHI-CIDSS. Both the DSWD and OPAPP (Office of the Presidential Adviser on the Peace Process) have agreed to preserve the core policies and systems of the project. Changes, if there are any, have been kept to a minimum and only to the extent necessary to capture the unique requirements for promoting the PAMANA objectives within the project context of KALAHI-CIDSS.

OPAPP has engaged the DSWD to improve access of conflict-affected and vulnerable areas to basic social services and accountable governance in identified PAMANA zones utilizing the community-driven development strategy within the framework of a memorandum of agreement signed by the two agencies on March 30, 2011.

The activities described in this manual support Pillar 2 of the PAMANA framework with the Department of Social Welfare as major partner in project implementation. KALAHI-CIDSS is widely recognized as a project that has demonstrated considerable amount of success from the last seven years of operations in reducing poverty through the community driven development (CDD) strategy. It has in place systems, processes and mechanisms that are required under Pillar 2 of the PAMANA program framework.

Pillar 2 refers to micro-level interventions that promote the convergent delivery of services and goods focused on households and communities by national, regional and local agencies/units. These will be done through conditional cash transfer approaches, community-driven development (CDD) projects like KALAHI-CIDSS, as well as access to and utilization of the Peace-building and Development Fund (PDF) for peace promoting projects, using the CDD approach.

PROJECT BACKGROUND

KALAHI-CIDSS

The KALAHI-CIDSS: KKB Project is a community-driven development (CDD) initiative of DSWD that aims to reduce poverty and vulnerabilities to poverty by addressing negative conditions relating to: (i) lack of capacity and resources at the local level and (ii) limited responsiveness of local governance to development community priorities.

KALAHI-CIDSS is recognized in the current Philippine Medium-Term Development Plan as a strategy that responds to basic needs of the poor. It addresses three of the four strategy pillars for poverty alleviation in the Medium-Term Philippine Development Plan (2004-2010) of the national government – (i) good governance and the rule of law, (ii) comprehensive human development and protecting the vulnerable, (iii) agriculture and fisheries modernization with social equity, and (iv) macro-economic stability and equitable growth based on free enterprise.

PAMANA

The PAMANA ("Peaceful and Resilient Communities") is the Philippine Government's peace and development framework that aims to strengthen peacebuilding, reconstruction and development in conflict affected areas (CAAs). It is in line with the government's goal of putting a permanent and just closure to internal armed conflicts of the country.

The government will thus undertake a two-track approach of: 1) negotiated political settlement of all armed conflict through peace negotiations; and, 2) undertaking programs aimed at addressing the root causes of conflict through interventions on the ground. It realizes that many of the causes of conflict, such as poverty, poor delivery of basic social services, and bad governance are realities on the ground that should be addressed without delay.

The PAMANA program framework provides the peace perspective in existing anti-poverty and development convergence programs of government. It shall serve as a guide for national and local government agencies, international donors and non-government organizations or institutions in providing various program interventions in CAAs. Such interventions are expected to go beyond implementing projects of assisting CAAs but would, in the process of doing so, foster peaceful relations between and among communities and duty bearers in addressing the root causes of armed conflict.

The approaches it employs to achieve these objectives are: convergence of delivery of basic social services; good governance through responsive, transparent and accountable resource allocation and utilization; community empowerment to

enhance local demand of services conflict-affected barangays; and asset reform, to address age-old issues of agrarian unrest and encroachment and unimpeded exploitation of ancestral domain and natural resources. These approaches are consistent with the KALAHI-CIDSS model.

PROJECT OBJECTIVES AND KEY RESULTS

The PAMANA Project will improve access of conflict affected barangays (CABs) that are implementing KALAHI-CIDSS, to quality basic social services and responsive, transparent and accountable local governments.

Key Performance Indicators:

❖ Number of targeted barangays that have implemented sub-projects that respond to expressed need for peace building through responsive social services
❖ Number of municipal LGUs that provided local counterpart contributions for community projects selected by CAB residents
❖ Number of community volunteers and KALAHI-CIDSS field workers trained by OPAPP on the application of peace and conflict sensitive facilitation and programming.

PAMANA COVERAGE AND AREA SELECTION PROCESS

The KC expansion supported by World Bank and Millennium Challenge Corporation (MCC) shall cover a combined target of old and new KC municipalities, with up to a maximum of 50% of all municipalities within a poor province, or about 374 municipalities within the 42 old KC provinces and in 6 newly considered poor provinces. Up to 220 old and new municipalities shall be funded by World Bank and about 154 old and new municipalities shall be funded by KC-MCC.

The identification of old municipalities that will implement the Makamasang Tugon modality will be merit-based, resulting from (i) assessment of performance in the KC Project; and (ii) subscription to the MT process.

Meanwhile, new municipalities to be covered shall be taken from a pool of eligible municipalities within each poor province. Selection of the municipalities into the pool of eligibles is based on their municipal poverty incidence within or higher than the 2006 national average poverty incidence (33% PI). The number of new municipalities to be identified from the pool shall be determined by the number of

municipalities in the province and number of old municipalities. They will be selected through the following considerations and criteria:

a. High level of readiness ("16" and "14" municipalities that were launched in 2010 approved by the Philippine government)
b. Municipalities with high poverty incidence (PI>=70%) are considered automatically covered
c. In municipalities within provinces in which the KC funding would not be enough to cover all of the remaining eligible municipalities, a fair and transparent public municipal selection process shall be undertaken through selection of municipalities by equal chance.

For PAMANA, the coverage shall include peace agreement areas, conflict-affected and vulnerable communities across seven (7) zones from 2011 to 2016. These PAMANA zones include: (1) Cordillera Administrative Region (CAR); (2) Negros Island; (3) Bicol-Quezon-Mindoro Corridor; (4) Samar Island; (5) CARAGA-Davao-Compostela Valley Corridor; (6) ZamBaSulTa; and, (7) Central Mindanao (Region X, XII and mainland ARMM).

The criteria for the selection and prioritization of PAMANA zones are based on five (5) conflict lines across three (3) major categories, as follows:

a. Closure or Peace Agreement Areas

1. Cordillera Bodong Administration-Cordillera People's Liberation Army (CBA-CPLA)
2. Rebolusyonaryong Partido ng Manggagawa ng Pilipinas/ Revolutionary Proletariat Army/Alex Boncayao Brigade (RPMP/RPA/ABB or RRA)

For closure or peace agreement areas, barangays covered by the Memorandum of Agreement (MOA) between the GPH and CBA-CPLA of 2011 as well as areas identified by the Tabara and dela Cruz groups of the RPMP/RPA/ABB were covered.

b. Areas affected by the Communist Party of the Philippines/New People's Army/National Democratic Front (CPP/NPA/NDF or CNN)

3. PAMANA provinces in CNN areas were selected based on the universe of conflict-affected areas (CAAs) with more than 50% conflict-affectation levels in terms of influenced barangays. From the universe of CAAs, provinces were identified, where municipalities with the most number of influenced barangays have been selected. Threatened barangays have also been considered for PAMANA program intervention. Municipalities below the 50% conflict-affectation levels but with a number of influenced barangays in tri-boundaries that are of strategic value have also been considered for prioritization. Target CAAs shall be subjected to the

periodic review of the security sector in coordination with OPAPP, and further validated at the local level.

c. Moro Fronts

4. The Moro National Liberation Front (MNLF) Peace and Development Communities (PDCs) were included. MNLF communities were identified based on information from the security forces.

5. The Moro Islamic Liberation Front (MILF) areas covered by the agreements on the cessation of hostilities, rehabilitation and socio-economic development focusing in 150 municipalities as well as communities with Internally Displaced People (IDP) affected by the 2008 MOA on Ancestral Domain (AD) were also included.

Priority shall be given to areas where KC will be implemented. In areas where municipalities will graduate from KC implementation, the DSWD Regional Offices and local government units shall be tapped to supervise PAMANA Pillar 2 implementation using CDD process. Another option is to engage the Department of Agrarian Reform (DAR) for its programs for Agrarian Reform Communities (ARCs) and Agrarian Reform Beneficiaries (ARBs) which similarly utilizes the CDD approach.

The list of eligible communities shall be provided by OPAPP to the DSWD and their final inclusion shall be mutually agreed. For 2011, both have agreed that only municipalities that have already implemented, are currently implementing, or are about to implement KALAHI-CIDSS shall be included in the program. The areas to be included in succeeding years shall be discussed and agreed upon finalization of the PAMANA priority areas by OPAPP.

In the event that a municipality backs out from the program interventions under PAMANA's Pillar 2, OPAPP shall make available a back-up list of municipalities from which DSWD may draw the replacement.

PROJECT COMPONENTS

Component 1: Capacity Building and Institutional Support (CBIS)

1. The OPAPP through the Peace Integration Unit (PIU) shall facilitate the conduct of training on Peace and Conflict-Sensitive Programming (PCSP) among key representatives of DSWD Field Offices and NPMO implementers using the training of trainers (ToT) strategy. The PCSP includes basic principles of peace, conflict analysis as well as peace and conflict impact

assessment. The OPAPP shall also assist in the development of appropriate orientation and training materials for KC communities.

2. Building on the existing KC system, the peace lens shall be integrated (as a strategy for social cohesion) in activities under specific stages of KC's Community Empowerment Activity Cycle (CEAC), as follows:

Stage 1: Social Preparation Stage

Social Investigation (SI) and Assessment

The Area Coordinating Team (ACT) will conduct community investigation involving gathering data on demographics, socio-economic and political situation, needs and values.

Aside from these, data on conflict and security situation will be gathered to give the ACT an initial grasp of the prevalent conflict issues in the community, its causes, and the actors involved.

The ACT may utilize various tools such as, interviews, focus groups discussions, key informant interviews, and report/data generated from the security sector or from the Local Peace and Order Councils either at the provincial, municipal or barangay levels (PPOC/MPOC/BPOC).

Participatory Situation Analysis (PSA)

Identification of Key Problems

Community Facilitators (CFs) will guide key members of the community in conducting Conflict Analysis to determine root causes and drivers that fuel the prevalence of conflict in the community.

The CFs shall be guided by the following conflict analysis tools in such order: 1) History of Armed Conflict Timeline, 2) Problem/Conflict Tree, and 3) Stakeholders Analysis. Other conflict analysis tools, may also be used to complement the given methods of analysis as necessary, but the aforementioned flow should ideally be followed.

Key members of the community will be asked to attend a one-day workshop to identify the following:

i. History of Armed Conflict Timeline

Participants will be asked to recall the start of armed conflict in their locality and trace critical incidents such as outbreak of

hostilities, formation of factions, pursuit of peace interventions from national, local government, civil society, etc up to the present. The participants will also identify the key players in such critical incidents and the effects of these armed conflicts to the community.

It is ideal that the history of conflict timeline will come before the other tools of analysis i.e. conflict tree, stakeholders mapping, etc. so that their analysis will be informed by the history and context of conflict in their locality.

ii. Problem/Conflict Tree

Identify Problem Areas on these 3 Issues, among others:
> Security Issues
> Jobs/Economic Opportunities Issues
> Justice Issues
> Others

After which, the participants will be asked to draw a problem/conflict tree that indicates the following:

♦ Conflict Issues/Problem
  > Currently experienced/manifested in the community
♦ Root Causes

♦ Effects of Conflict to the community/people
  Using the Security, Jobs/Economic Opportunities, Justice, and other issues identified, the participants will decide which issues are Core issues, Root Causes and Effects.

iii. Stakeholders Mapping

Following the Problem/Conflict Tree Exercise, the participants will be asked to make a diagram which indicates the different groups or actors that they think are involved and/or affected by the conflict. Then they will try to identify and analyze each actor's positions, needs and interest, or contributions in the conflict. Actors may be groups/individuals within or outside the community and major state and non-state institutions.

iv. Community Visioning and Goal Setting

❖ The CFs will facilitate a half-day workshop participated by members of the community, LGUs, CSOs to formulate the community's vision on peace and development.

❖ The group will be asked to show their aspirations/visions of a peaceful and developed community through illustrations. After which, they would formulate their vision statement.

❖ Succeeding community and BLDG plans and programs should be in-line with the community's shared vision.

Stage 2: Project Identification Stage

Peace & Social Cohesion Criteria Setting Workshop

The ACT together with the community members will formulate the peace and development project criteria to determine which identified projects are feasible and are in line with the community's common peace vision and the PAMANA goal of peaceful and resilient communities. They will also identify criteria that will ensure cohesiveness of all stakeholders in the implementation of the project.

Project Identification and Selection

Based on the peace and social cohesion criteria that have been identified, CFs and the community will identify and select projects that clearly address conflict situations in the community that have been identified during the PSA.

Project Development

In addition to the existing project development standards of the KC, the project proponent shall also adhere to the peace and social cohesion standards (PSC) that will be developed by OPAPP. The project proponent shall thus integrate PSC into their proposals for funding under the PDF.

Stage 3: Project Review and Approval

Existing KC structures such as the Municipal Inter-Agency Committee (MIAC) and Municipal Inter-Barangay Forum (MIBF) shall be tapped to review and approve project proposals that will access the PDF. The NPMO shall facilitate the release of funds of approved sub-projects.

Stage 4: Community-based Monitoring and Evaluation
Community-based M&E

1. Using an interim technical and financial reporting template developed by OPAPP, monitoring teams composed of community members, LGU, PAMANA will monitor the status of implementation on a regular basis.

2. At the end of project implementation, a community-based monitoring tool/system using peace and conflict impact assessment (PCIA) will be conducted to measure the effects of the peace project in addressing the conflict issues in the area.

Accountability Review

1. The Accountability reporting is an end of cycle activity wherein the community and its partners convene to discuss the highlights of their performances during the concluded cycle.

2. The main audience is the Municipal Inter Barangay Forum as well as the expanded – Municipal Development Council, CSO, RLA, PAMANA Unit, and the ACT. Reporting during the accountability review shall focus on, but may not be limited to, (i) sub-project implementation; (ii) compliance to counterpart commitments both at the barangay and municipal level; (iii) compliance to social and environmental safe guards; (iv) summing up of learning on CDD and peace and social cohesion processes; (v) plans for enhanced participation and implementation of the cycle; (vi) project's contribution in addressing the conflict issues; and, (vii) setting directions for peace and community development and enhanced partner engagements in the succeeding cycles.

Component 2: Community Grants

1. On top of the community grants under Kalahi-CIDSS, a Peacebuilding and Development Fund (PDF) amounting to P300,000 shall be provided to constituents of each targeted conflict-affected barangay (CAB) per annual cycle of operation. PAMANA shall be implemented in qualified barangays for 3 annual cycles subject to availability of funds in the national government.

2. The PDF is a fund provision for constituents of PAMANA CABs to fund community selected to interventions -projects that will contribute to peace-building. It can serve either as a top up fund, combined with the KC GRANT FOR SUB-projects, or separately requested to fund specific peace-building interventions. Unlike other funds provided under other CDD projects, the PDF is an entitlement for CABs that are unable to compete against more advanced or competitive barangays.

3. The Fund's objective is to improve community resilience to conflict. This objective is to be met through three interlinked goals of reducing poverty, both income and non-income, in the target areas; improving governance of local government; and empowering communities in addressing conflict.

4. The PDF is intended to support an open menu of interventions, projects or activities identified and prioritized by CABs for projects or sub-projects that are conflict sensitive and peace promoting. These may include small infrastructure and livelihood projects, and capacity building activities to strengthen peace constituencies and governance structures, processes and mechanisms, that will enable them to address, and remove barriers to the participation of communities in development efforts.

5. Barangays can prepare separate sub-project proposals to access the P300,000 from the PDF subject to the same prioritization process in KALAHI-CIDSS at the barangay level. The selected sub-project will no longer pass through the priority-setting process of the MIBF[1] but must still be presented for MIBF concurrence and comply with the technical requirements and reviewed by the MIAC before it is endorsed for approval to the DSWD.

6. Although communities may propose almost any type of community subproject following the "open menu" system, they must ensure that the proposal clearly shows how the chosen sub-project promotes peace and considers how individuals and families affected by conflict can better access and benefit from the sub-project.

7. Project proposals under the PDF shall be assessed based on the following:

   a. Locally Driven and Owned. Projects must be supported by communities. This means that communities have discussed and agreed on the project to be financed by the Fund.

   b. Conflict Sensitive and Peace Promoting. The proposed projects must justify how it will support peace-building and address conflict. The proposal must clearly articulate conflict issues that will/potentially be addressed by the project. It should also consider cultural- and gender-sensitive/appropriate/responsive approaches for building peace.

   c. Adherence to the peace and social cohesion standards as previously mentioned under Stage 2-c.

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[1] MIBF or the Municipal Inter Barangay Forum, is a structure composed of the representatives from all the barangays in the Municipality and is chaired by the Mayor. It is the body entrusted with the responsibility for making decisions on the prioritization of sub-projects to be funded by the Project and other matters that affect the overall welfare of the barangays within the municipality. MIBF decisions are documented in the form of a resolution signed by those who attended and concurred/agreed with the decision/action.

Activities to be supported.

1. In general, appropriate activities for KALAHI-CIDSS support are those that: are not on the negative list; have been suggested by the community and approved democratically in an open forum at the barangay level; have a clear long-term strategy, e.g., operations and maintenance plan, business plan, etc.; will benefit those affected by conflict especially the poor; will have buy-in from the community, as shown by the amount of community contribution/counterpart; and are technically and economically viable.

   The Project also allows communities to propose the use of the PDF to fund any of the following:

   a. A new and distinct peace sub-project, such as:

      ❖ Community infrastructure projects that provide better access to those traditionally marginalized in the communities, such as IP, or other minority population or resolving particular community disputes or those that will serve victims of conflicts, such as, water systems, community meeting facilities, half-way and processing facilities for victims of violence and other forms of conflicts, temporary or core shelters for victims of displacements. Projects may also include enhancements to existing community infrastructure that need repairs/rehabilitation.

      ❖ Activities that support land tenure improvement, such as community dialogues and consensus building activities towards resolving land disputes;

      ❖ Capability building and training activities that will increase people's awareness on peace and conflict issues or build their skills toward engaging in governance issues, such as human rights orientation; alternative dispute resolution; peace education training in schools and among community leaders; and

      ❖ Organizing and strengthening of community structures, mechanisms and processes that will promote trust, unity, inclusion and participation, such as setting-up of community dispute and grievance mechanisms; interfaith and inter-cultural dialogues and celebrations.

   b. A sub-project to be funded by the regular KALAHI-CIDSS Funds and prioritized in the Municipal Inter-Barangay Forum (for Participatory Development, Prioritization and Resource Allocation or PDPRA). In this case the PDF can be added to the KC grant to finance the construction of a portion of the sub-project. The breakdown of costs and sources must be clearly and accurately presented in the proposal.

This option requires that the community still present to the MIBF how the PDF grant will be used alongside the regular investment grant from KALAHI-CIDSS to put up the proposed sub-project. This will allow the MIBF to appreciate how peace and development concerns can be better responded to by matching and combining resources to create greater impact for the CAAs.

7. There are activities, however, that are disallowed and therefore cannot be funded by the Project. These are enumerated in the Negative List below:

Negative List

- Weapons, chainsaws, explosives, pesticides, insecticides, herbicides, asbestos, and other potentially dangerous materials and equipment,
- Fishing boats and nets above the prescribed size and weight set by the Republic Act 8550. Philippine Fisheries Code of 1998.
- Road construction into protected areas,
- Use of project funds for purchase of or compensation for land,
- Micro-credit and livelihood activities which involve on-lending of project funds,
- Maintenance and operation of facilities provided with project funding,
- Activities that have alternative prior sources of committed funding,
- Recurrent government expenditures (e.g. salaries for government and LGU staff),
- Construction or repair of government offices, meeting halls, and places of religious worship,
- Political and religious activities, rallies, and materials,
- Salaried activities that employ children below the age of 16 years,
- Activities that unfairly exploit women or men at any age,
- International travel,
- Consumption items or events.

Under the PDF, the KC Project negative list of disallowed activities shall generally be adopted except for the celebration and commemoration of major peace activities and other social events which are still eligible for funding by the PDF. These include inter-faith or inter-cultural events (e.g., Peace Month, Eid'l Fitr, Mindanao Week of Peace, etc.) as venues for peace advocacy that can possibly contribute to peace and social cohesion.

Joint Barangay Projects.

Joint barangay sub-projects may be proposed by two or more barangays to address common priorities, rationalize resource use, and optimize impact.

Types of Sub-Projects.

This will generally follow the typology of sub-projects in KALAHI.

Mode of Sub-Project Implementation by the Community.

Sub-projects may be implemented using any or a combination of the Community Force Account (CFA) or Contracting modality. The CFA is a modality of implementation where the construction or implementation of the sub-project is directly executed by the community. Community contracting of the whole or part of the sub-project activities allows the community to get qualified service providers for complex civil works that the communities and LGU cannot implement directly due to lack of technical capability and equipment. In areas where the availability of service providers is limited, technical assistance from other government agencies, CSOs (civil society organizations) or private sector will have to be secured. Such "specialized" community infrastructure sub-projects include small water impounding projects or communal irrigation (see also the Community Infrastructure Sub-Manual).

Other Requirements.

The process of sub-project identification, development, approval and implementation shall essentially follow the system in KALAHI-CIDSS.

Component 3: Project Management and Monitoring & Evaluation

Project Management

Project management and implementation shall follow the existing management and implementation arrangements. OPAPP as a partner agency in the implementation is a member of the National Steering Committee (NSC) of the Project.

Project Management and Oversight Structure
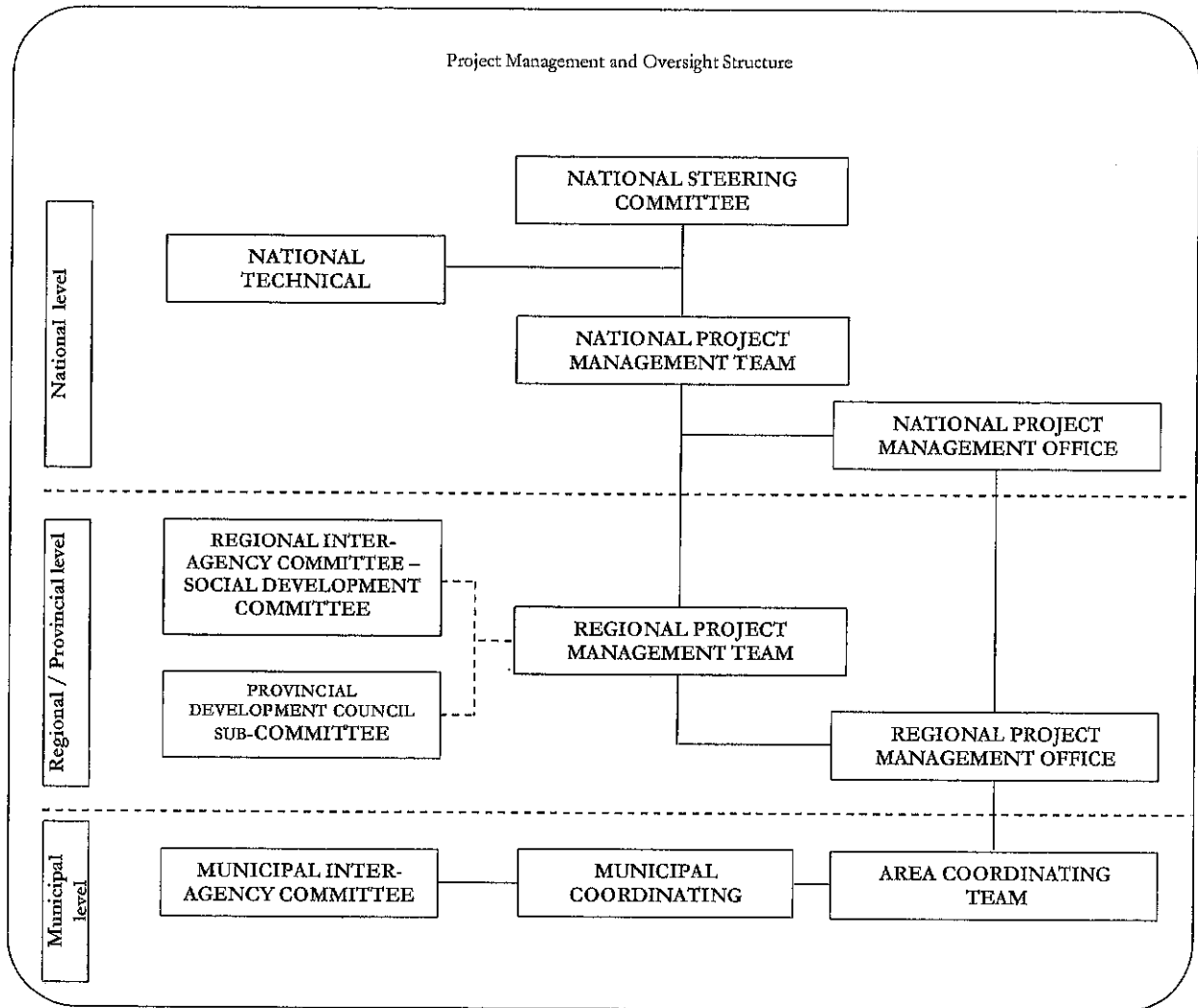
Monitoring and Evaluation

1. The KC M&E system is results-based and utilizes GIS and relational database management software. Activities include data collection and encoding at the barangay and municipal level, and data consolidation and analysis at the RPMO and NPMO levels. Project monitoring will look into inputs, process, progress, outputs and outcomes of both KC and PAMANA implementation. Reports generated will be shared with communities, LGUs, implementers and other stakeholders to further improve project implementation and to determine if targets are being met. The M&E sub-manual provides the details of the M&E system, including the forms, databases, reportorial requirements and structures.

2. Generally, the monitoring and evaluation of PAMANA Pillar 2 activities will be done through the regular KC M&E activities since key indicators for PAMANA are also being monitored by KC. Existing monitoring forms already capture these indicators and adjustments will only be made in the database management. Special reports that will capture PAMANA activities and outputs will be generated by the database operator by filtering PAMANA barangays and PAMANA interventions. In addition, PAMANA will also benefit from the KC external monitoring to be conducted by local civil society organizations. This activity will provide independent feedback on project operations of both KC and PAMANA.

3. However, given the design of PAMANA, which adopts a three pillar approach to peace-building, the evaluation of project outcomes needs to be done in view of the initiatives made in Pillar 1 and Pillar 3. Due to the limitations of KC in terms of involvement in PAMANA implementation, more rigorous PAMANA evaluation and special studies will have to be undertaken by OPAPP.

4. One unique feature of KC that will be beneficial in the implementation of PAMANA is the KC Grievance Redress System (GRS). The GRS involves the submission and processing of all complaints regarding corruption or the distortion of project procedures and imposition of sanctions. Under the system, any interested person or organization can submit complaints on (i) processes and procedures; misallocation of PAMANA funds; and inappropriate intervention by LGU officials or KC project personnel. M&E officers acting as grievance monitors will also be tasked to maintain a database of PAMANA grievances, and monitor their resolution. The GRS mechanisms that will apply to PAMANA implementation are detailed in the KC GRS Handbook.

5. The KC-PAMANA will adopt its existing third party monitoring mechanism designed to promote transparancy and accountability of operations in addition to the Grievance Redress System (GRS).

6. KC NPMO will submit monthly and quarterly reports to OPAPP on the status of PAMANA implementation in KC areas. Monthly reports would focus on PAMANA coverage and CEAC tracking of the different CABs to determine their progress in terms of social preparation, sub-project identification and planning, and sub-project implementation. Meanwhile, the quarterly reports will be more detailed and will provide information on the following areas:

   a. CEAC implementation – the community members' participation rate, trainings provided, volunteer groups organized

b. Sub-project implementation including their location, number of sub-projects, beneficiaries, grants allocated and utilized, local counterparts raised,
c. Grievances reported and their resolution
d. Overall financial progress
e. PAMANA performance in terms of the key project indicators
f. Next steps

7. Reports generated will also be shared with OPAPP online by making the information accessible at the KC website and linking it with the PAMANA website.

COMMUNITY EMPOWERMENT ACTIVITY CYCLE (CEAC) IN CONFLICT AFFECTED BARANGAYS (CABS)

The Community Empowerment Activity Cycle or CEAC is the primary implementation strategy adopted by the Project to guide the operationalization of the numerous community development processes and interventions. Composed of five stages: (i) social preparation stage, (ii) project identification stage, (iii) project preparation, selection and approval stage, (iv) implementation of sub-projects, and (v) transition stage, the CEAC will be adopted as the basic platform for implementing the PAMANA project in KALAHI-CIDSS municipalities.

The KALAHI-CIDSS implementation in conflict affected barangays (CABs) will include integration of peace building processes and activities along the CEAC. The peace and conflict lens will likewise be incorporated in the conduct of key CEAC milestone activities, which include;

➤ Enhancement of the Social Investigation tool to incorporate questions that will generate information on the peace and order, and conflict situation in the community, which will be used by the Area Coordinating Teams (ACT) to conduct an assessment of the peace and order situation in the community. This shall then be used by the team to develop an intervention plan in CABs, as part of the over-all ACT action plan for the municipality.

➤ Inclusion of the peace and conflict lens in the training of participatory situation analysis (PSA) volunteers, and in the planning and conduct of PSA activities

➤ At the community level, information on the peace and conflict situation of barangays shall be gathered in the course of the participatory situation analysis (PSA). The PSA facilitation guides as well as the current set of PSA tools will be enhanced to allow for both sharing of information on the peace situation, as well as for analysis of exclusion resulting from conflict. This will

then be used as a key input into the identification of key community problems, analysis of the extent to which conflict situations contribute to these problems, and identification of solutions to address exclusion due to conflict events.

➢ Where necessary, Barangay Assemblies shall likewise be enhanced with focused group discussions to allow communities to explore in depth the effects of conflict, drivers, experiences, and solutions.

➢ Enhancement of the Criteria Setting Workshop (CSW) to include (i) discussion of local and broad municipal-level peace/unpeace situation, poverty conditions and their causes; (ii) identification of critical poverty and peace and development issues that need to be addressed at the community level; and (iii) development of a set of development criteria for selecting the most appropriate and responsive development interventions to address the identified poverty and peace and development) issues.

➢ Training on development of sub-project proposals to address issues of exclusion resulting from conflict, as part project development workshop. The proposal should be geared towards promotion of peace in their locality.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

The existing KC environmental and social safeguards will be adopted, with emphasis that projects should be peace-promoting/conflict-sensitive.

KC-PAMANA will adopt existing KALAHI-CIDSS environmental and social safeguards. Specifically, this emphasizes the following:

➢ Recognition of Environmentally Critical Areas (ECAs) by strictly requiring the submission of Environmental Compliance Certificates (ECCs)

➢ Conduct of BA's with a minimum attendance requirement of 80%. BAs are considered very important in the project implementation because it is the venue for people's participation, decision-making, transparency of financial transactions and social accountability
Based on the SI (Social Investigation) and PSA identification of stakeholders in the community, all groups and organizations within the community must be represented by at least 1 representative per group during BAs. This will ensure that all groups especially the vulnerable and marginalized are included and given the opportunity to participate in community processes.

Conduct of a multi-partite monitoring is highly encouraged and participated by representatives from the region (DSWD, DILG), provincial and municipal representatives, CSOs/ NGOs and community volunteers.

PHASING AND TIMETABLE

For 2011, 158 KC barangays in 14 municipalities and 5 regions will be implementing PAMANA. The first cycle of PAMANA intervention will run from June 2011 to May 2012. PAMANA Pillar 2 projects will follow the KC's three-year project cycle.

PROCUREMENT

KC-PAMANA will adopt the existing KALAHI-CIDSS community procurement system. This means that all procurement activities (e.g., goods, work and consultancy services) will be conducted and managed by the community volunteers spearheaded by the Project Procurement Team (PPT) and Bids and Awards Committee (BAC) under the Barangay Sub-Project Management Committee (BSPMC).

To ensure Community Procurement Principles on Fairness, Effectiveness, Economy, Transparency and Accountability, a Grievance Committee is set-up for conflict management and resolution. Sanctions will be applied to violating barangays committing anomalous transactions. Penalties are as follows:

- disallowance & suspension of grants
- withdrawal of SP
- legal case filing either civil or criminal case/s will be filed against them.

FINANCIAL MANAGEMENT SYSTEM

The PAMANA Project shall adopt the Financial Management System (FMS) established for KALAHI-CIDSS Project. Details of this FMS are discussed in the sub-manuals: KC Financial Management System and KC Community Financial Management.

Financial Management Roles and Functions

1. At the Central Office, the FMS shall hire one (1) Financial Analyst who shall ensure that the existing internal control systems to safeguard project resources

and to ensure the legality, validity, propriety, and accuracy of all financial transactions are maintained. In addition, the following specific tasks shall be performed for the Project:

➢ Monitor the implementation of the prescribed financial management system at the community levels, and provide recommendations to the National Project Management Team for improvements, considering actual field situations;
➢ Together with the National Project Management Office, prepare the Project Annual Work and Financial Plan;
➢ Manage the Trust Account and coordinate with the OPAPP for the timely release of funds;
➢ Maintain books of accounts, subsidiaries, records, and files of all financial transactions solely for the Project;
➢ Process all financial transactions for the project;
➢ Prepare and submit monthly financial status reports to the OPAPP and other oversight agencies as well as to the NPMT for monitoring purposes.
➢ Prepare and submit an audited Report of Check Issued (RCI) and Report of Disbursement (RD) within ninety (90) days after completion of the Project.

2. At the region, under the supervision of the Management Division Chief, the FMS shall ensure that the financial management systems prescribed for the Project at the community level are strictly followed and that the Area Coordinating Team members are not remiss in their functions as front-liners of project implementation.

3. At the municipal level, the Area Coordinating Team has the primary responsibility for protecting project funds and for providing technical assistance to the community volunteers on financial management. The ACT shall also ensure compliance by the Local partners of the provisions of the Memorandum of Agreement (MOA) for the project, particularly on the prompt delivery of the local counterpart contributions (LCC).

4. The implementation of the prescribed Project FMS at the community level shall be the responsibility of the community volunteers themselves. During implementation of approved community subprojects, the community volunteers shall exercise management of and control over subproject funds. To ensure sound financial management, different committees will be created at the community level to perform the following functions:

  ▪ Disburse subproject funds;
  ▪ Review the validity, legality, and regularity of transactions, prior to and after payment;
  ▪ Validate subproject physical inventory reports;
  ▪ Maintain books, records, and files, for the project

Grant Funds

1. There will be PhP 300,000 grant available for each identified conflict-affected barangay (CAB) per annual cycle of implementation. In addition, the OPAPP shall provide at least 10% of the total community grants for each cycle to cover capability building and implementation support and project management costs for the implementation of the Project.

2. On the basis of the work schedule provided by the National Project Management Office to the Financial Management Service, the latter shall prepare and submit a Work and Financial Plan for the given year. It shall indicate in detail the total costs for community subprojects, capability building and implementation support and project management costs. Once approved by the OPAPP, the latter shall release the total required funds for the given year to the DSWD who shall in turn issue an Official Receipt and deposit to the Peso Current Account specifically opened for the purpose.

Local Counterpart Contribution

There shall be a Local Counterpart Contribution (LCC) of 30% of the Total Municipal Grant Allocation The LCC for the Peacebuilding and Development Fund (PDF) can be in cash or in-kind (e.g., labor, materials, equipment, use of venue, facilities, or provision of staff complement dedicated for the project). These can come from the local government units, Congresspersons, communities, non-government organizations, and other stakeholders. LCCs in the form of cash shall be directly deposited to the community bank accounts for the implementation of subprojects. These non-cash form of contribution from both the municipal and barangay levels must be identified and finalized in the project identification, selection and planning stages of the CEAC to determine and adjust project implementation based on available resources and other resources that still need to be procured for the project.

Project Accounting and Reporting

1. The Project accounting will follow government accounting rules and regulations. The DSWD Finance Service shall maintain separate Books of Account namely: journals, subsidiary ledgers in the Regular Agency Books and in the National Government Books prescribed in the New Government Accounting System (NGAS). At the end of each accounting period, the Finance Service shall submit financial reports to the COA for audit.
2. The Financial Management Service shall ensure that an adequate financial monitoring system is maintained for the Project. This will facilitate the preparation of financial monitoring reports that may be required by the Donor, oversight agencies, and other stakeholders of the Project.

3. The following reports, which comprise the Financial Monitoring Report (FMR), shall be submitted to the OPAPP not later than 45 days after the end of each quarter:

- ♦ Financial Report. At a minimum, this report will include a statement showing for the reporting period and cumulatively (year to date or entire project life), cash receipts by sources, and expenditures by project component and major activities, expenditure categories, and supporting schedules comparing actual and planned expenditures.

- ♦ Physical Progress Report. This includes output indicators agreed upon by DSWD and the Bank, narrative information linking financial information with physical progress, and highlight issues that require attention.

Project Internal Control System

The same internal control system established for KC shall be assumed by PAMANA. This system ensures transparency and accountability, and safeguarding of resources.

Overview of Community Financial Management System

1. Community Financial Management is one of the significant activities and the most critical in the implementation of the subprojects. It is where the communities are given the authority to plan, control, and make financial decisions in response to the empowerment objective of the Project. Here, the process of fund management, including required procedures for accounting, financial reporting, and budgeting are laid in detail. Its purpose is to ensure that funds are properly utilized, assets acquired are secured, and that management acts and decides in the best interest of its stakeholders.

2. An MIBF resolution is passed enumerating and approving sub-projects for funding. This document is one of the legal bases for transferring Grant Funds directly to community accounts with approved sub-projects. On the basis of the approved Request for Fund Release (RFR) submitted by the communities, the Grant Funds shall be released in three (3) tranches as follows:

    a. 50% in the first tranche
    b. 40% in the second tranche
   c. 10% in the third and final tranche

3. Open tranching, or exceptions to the 50-40-10 tranching rule, is also allowed based on the recommendation of the RPMO and the approval of the national project director. One tranche or a 100% release of the Grant Fund is not allowed. Once the sub-project is approved, the Grant amount cannot be changed, although re-allocation among the different components can be done within the budget. If actual costs exceed the approved budget, the community will shoulder the difference, either by increasing their own contribution or by accessing additional funds from local government units or from other funding sources. *(Refer to the KC Community Finance sub-manual for more on this issue.)*

Flow of Funds for Subproject Implementation

1. A unique feature of this Project is that funds for sub-project implementation shall flow directly from the Trust Account maintained by the DSWD Central Office with the Land Bank of the Philippines to each community bank account.
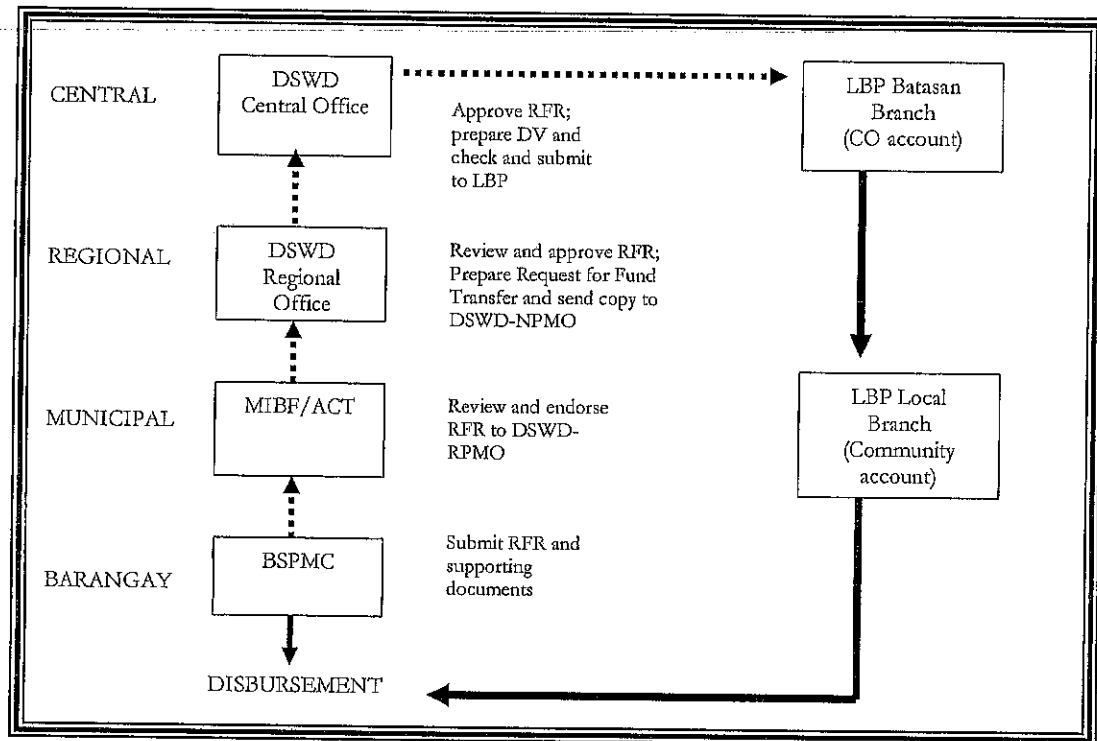
The figure below shows the flow of Requests for Fund Release from the community to the DSWD.
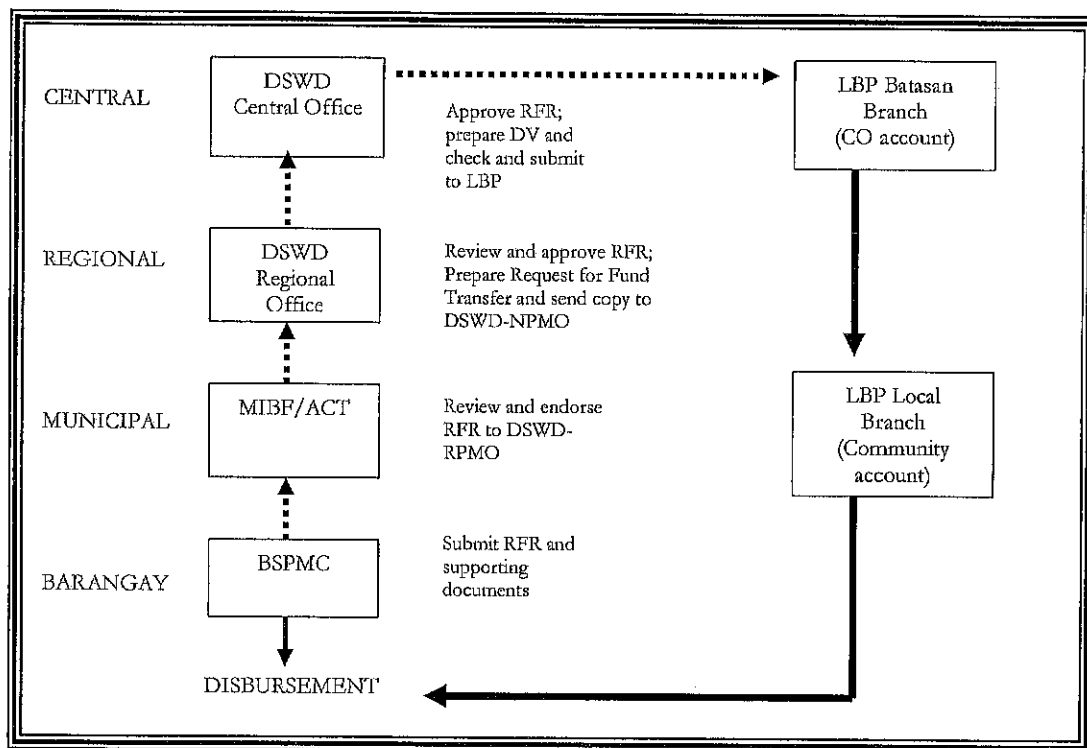
2. Upon approval of the sub-project, the community shall open a peso current account with the LBP local branch purposely for the implementation of the sub-project. There are three (3) signatories in each community account, namely: the BSPMC Chairperson, the Barangay Treasurer, and the Area Coordinator. Except for the Barangay Treasurer, any of the two signatories may be replaced, but only under circumstances cited in the Community Finance sub-manual. Only one bank account shall be opened and maintained by the community for both Grant Funds and local counterpart contributions for sub-project implementation.

3. Financial management at the community level is the responsibility of the community volunteers themselves. To ensure that community financial management is fully carried out, community finance volunteers are created to lead in its implementation. They are the Treasurer, Bookkeeper, Audit and Inventory Team, and Monitoring and Inspection Team.

4. The ACT is also tasked to protect project funds. As such, the Municipal Financial Analyst (FA) shall review all the Disbursement Vouchers (DVs) of the communities. The AC, as one of the community accounts' signatories, shall sign checks only when DVs are reviewed and approved by the MFA. Together, the community finance teams and the ACT shall take full responsibility in ensuring that funds are utilized as intended. They shall make sure that disbursements follow the Project's financial policies and guidelines, as well as government accounting and auditing rules.

Community Financial Recording and Reporting

1. As part of the empowerment process, the BSPMC, through the community bookkeeper, shall be trained on financial recording and reporting. The BSPMC shall cause to maintain journals and ledgers to record all its financial transactions during the implementation of approved sub-projects.

2. On a monthly basis, the BSPMC shall prepare and submit to the DSWD Regional Office, through the ACT, the Status of Sub-project Fund Utilization Report (SSFUR). This report shall be prepared by the community bookkeeper, approved by the BSPMC chairperson, and reviewed by the Audit and Inventory Committee Head.

CENTRAL	DSWD Central Office	Approve RFR; prepare DV and check and submit to LBP	LBP Batasan Branch (CO account)
REGIONAL	DSWD Regional Office	Review and approve RFR; Prepare Request for Fund Transfer and send copy to DSWD-NPMO	
MUNICIPAL	MIBF/ACT	Review and endorse RFR to DSWD-RPMO	LBP Local Branch (Community account)
BARANGAY	BSPMC	Submit RFR and supporting documents	
	DISBURSEMENT		

Project Audit Arrangements

1. The DSWD shall make available all records and files pertaining to transactions involving the funds for the audit of the Commission on Audit. It shall also submit Report of Check Issued (RCI) and Report of Disbursement (RD) in accordance with COA Circular No. 94-013 for issuance of Audit Report. Said audited RCI and RD shall be submitted to the OPAPP within ninety (90) days after completion of the Project.

   Financial Monitoring

   1. Upon review of the financial reports, the concerned OPAPP unit shall conduct validation of reports based on the status report submitted by the DSWD to OPAPP. This is in line with the COA rules and regulations in managing resources of the government and ensuring that its resources are properly used.

   2. The financial review and validation shall be based on standard accounting procedures of accountability, transparency and responsibility.

Financial Reports
1. The DSWD shall submit an audited financial statement for liquidation and disbursement reports, as an attachment to the project completion report, to OPAPP within 30 days after the completion of the project.

INSTITUTIONAL ARRANGEMENTS

Implementing Agency

1. DSWD will continue to serve as the implementing agency for the project with the Secretary as the National Project Director and an Assistant Secretary as a Deputy National Project Director. Both of them will provide overall policy directions and ensure project coordination with Department-wide policies and directions.

2. The responsibility for the day to day management of the project shall be assumed by the National Project Management Office (NPMO) of KALAHI-CIDSS which is headed by a National Project Manager.

3. A regular DSWD employee who has extensive experience in CDD work shall be assigned as the Project Coordinator for this Project.

4. The units in the NPMO shall provide support in the execution of the Project.

5. At the field level, DSWD KALAHI-CIDSS Regional Project Management Offices in target areas shall be responsible for the management of the Project within the region.

6. The Project will tap the existing Area Coordinating Team of KALAHI-CIDSS to implement the Project and mobilize communities in partnership with the MLGU Municipal Coordinating Team (MCT) and the LGU structures.

7. The existing implementation arrangements for KALAHI-CIDSS shall be retained for PAMANA.

Oversight

1. Oversight functions will be provided by the National Steering Committee (NSC) and National Technical Working Group (NTWG). Both bodies will enhance the selection processes and guidelines for broader representation of civil society and the private sector. The roles and responsibilities of the NSC and NTWG will likewise be reviewed and confirmed by its members. The review aims to: (i) enhance coordination with other programs and ensure synergy with national policies on poverty reduction; (ii) strengthen monitoring responsibilities for effective risk and problem management; and, (iii) enhance resource mobilization and advocacy for CDD approaches.

2. At the sub-national level, DSWD will initiate the organization of project oversight committees. The Department will link with existing bodies, such as the Regional Development Councils through the Regional Social Development Committee.

3. Likewise, the OPAPP will coordinate with local peace and order council and development councils at the regional and sub-regional levels to facilitate the implementation and monitoring of PAMANA in KALAHI-CIDSS areas.

Other Arrangements

1. The Project will retain all relevant coordination and implementation arrangements in KALAHI-CIDSS including the possible engagement of civil society organizations for independent monitoring.

2. OPAPP shall facilitate provisions for the following:
   ❖ Materials/kits for KC communities within PAMANA zones
   ❖ 1 Finance Person and 1 Technical Staff at the NPMO (MOA SG 22).

3. In areas where KC has phased out, an area coordinator may be hired.

4. DSWD will seek a no objection letter from the Office of the Presidential Adviser on the Peace Process for sub-projects that are not covered by policies and guidelines in this Manual.

ACKNOWLEDGEMENT

The preparation of this manual has been made possible with the inputs of the following:

DSWD KALAHI-CIDSS TEAM