



1. Project Data

Project ID

P101076

Project Name

PH GEF-SCCF-Climate Change Adaptation

Country

Philippines

Practice Area(Lead)

Environment & Natural Resources

L/C/TF Number(s)

TF-96649

Closing Date (Original)

15-Dec-2015

Total Project Cost (USD)

55,420,000.00

Bank Approval Date

29-Jun-2010

Closing Date (Actual)

31-Dec-2016

IBRD/IDA (USD)

Grants (USD)

Original Commitment

4,974,000.00

4,974,000.00

Revised Commitment

4,974,000.00

3,899,739.28

Actual

4,576,981.14

3,899,739.28

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2. Project Objectives and Components

a. Objectives

****Please note that the Total Project Cost (USD) 55,420,000.00 on the cover page is incorrect. (See section 2.e., where the Actual Project Cost is shown as USD 10.83 million and not USD 55.42 million, which was the Appraisal Estimate).**

The Global Environment Objective as stated in the Grant Agreement is **“to develop and demonstrate approaches that would enable targeted communities in the territory of the Recipient to adapt to the potential impacts of climate variability and change”**.

The project development objective (PDO) as stated in the PAD is "to develop and demonstrate approaches



that would enable targeted communities to adapt to the potential impacts of climate variability and change". Both these formulations are almost identical except the emission of 'in the territory of the Recipient' in the PAD. The PDO would be achieved by strengthening existing institutional frameworks for climate change adaptation, and by the demonstration of cost-effective adaptation strategies in agriculture and natural resources management.

Global Environment Objectives (GEO): To develop and demonstrate approaches that would enable targeted communities in the territory of the Recipient to adapt to the potential impacts of climate variability and change.

Revised Global Environment Objectives (as approved by original approving authority): The GEO was not revised. Some indicators were revised in December 2015 to make minor corrections to terminology and to remove the target values from the indicator names, but the revisions were essentially editorial and did not substantively change the indicators or their targets. In addition, a number of intermediate indicators were added to formally track the uptake of various adaptation tools, resources, and information by different target groups.

b. Were the project objectives/key associated outcome targets revised during implementation?
No

c. Will a split evaluation be undertaken?
No

d. Components
The project comprises four components.

1. Strengthening the Enabling Environment for Climate Change Adaptation - CCA (Appraisal estimate US \$0.59 million, Actual US \$0.15 million):

The objective of this component was to support the integration of CCA into the agriculture and natural resources sectors, and to strengthen the capabilities of (a) government agencies that play a role in CCA activities in these sectors; and of (b) the CCC (Climate change Commission in the Philippines), which is responsible for developing the overall Climate Change Adaptation Framework and guiding its implementation across government institutions.

The original cost of component 1 was US \$0.71 million of which US \$0.59 million was GEF grant financing.

2. Demonstration of Climate Change Adaptation Strategies in the Agriculture and Natural Resources Sectors (Appraisal estimate US \$2.94 million, Actual US \$2.2 million):

The objective of this component was to demonstrate methods of adaptation to the impacts of climate change in the agriculture and natural resources sectors through the implementation of field-level pilot activities designed on the basis of scientific information provided under component 3. Specific activities included:

Subcomponent 2.1: Climate-proofing irrigation infrastructure: This activity aimed to strengthen the climate resilience of vulnerable irrigation infrastructure developed under the Bank-supported Participatory Irrigation Development Project (PIDP). The project would assess climate risks to the irrigation infrastructure being



developed under the PIDP, which did not take account of climate risks in the original design; and provide guidance on the redesign, retrofitting, or operational modification of that infrastructure.

Subcomponent 2.2: Enhancing delivery and effectiveness of extension services for farm-level climate risk management: This subcomponent would support the Department of Agriculture (DA) in enhancing the content and delivery of extension packages to support the adaptation of agronomic practices and crop varieties to manage climate risk at the farm level. This would be supported in component 3.

Subcomponent 2.3: Pilot-testing the feasibility of weather index-based crop insurance: This subcomponent would support innovative approaches to expanding the penetration of weather risk management instruments in the agricultural sector. This activity sought to attract private sector players to help develop and adapt weather index-based crop insurance in the Philippine context. Private sector players would participate in a competitive grants program in regions 2 and 6, to demonstrate the feasibility of weather-index based insurance focused on key commodities (corn and maize) and weather perils.

Subcomponent 2.4: Strengthening Climate Change Resilience through Improved Management of Protected Areas: Considering the additional pressures on ecosystems and populations from changing climate and weather patterns, this activity would help integrate climate risk concerns into protected areas management. It would introduce integrated watershed management and coastal resource management in (a) the Peiablanca Protected Landscape and Seascape in Northern Luzon, with 25,000 potential direct beneficiaries; and (b) the Siargao Islands Protected Landscape and Seascape Protected Area in Surigao del Norte, Mindanao, with 50,000 potential direct beneficiaries.

The original cost of component 2 was US \$52.8 million of which US \$2.94 million was GEF grant financing.

3. Enhanced Provision of Scientific Information for Climate Risk Management (Appraisal estimate US \$1.03 million, Actual US \$0.63 million):

The objective of this component was to improve the access of end users in the agriculture and natural resources sectors to more reliable scientific information, to enable more rapid and accurate decision-making for climate risk management. The component, which would be implemented by Philippines Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), included the following subcomponents:

Subcomponent 3.1: Strengthening the provision of climate information to guide the design of adaptation actions: This subcomponent would promote the understanding and use of climate risk information in the design of adaptation activities, by providing the weather and climate information needed to design each intervention under component 2. The demonstration of this approach would lay the groundwork for scaling up such strategies to other projects and activities.

Subcomponent 3.2: Strengthening institutional capacity for effective climate risk management: This subcomponent would strengthen the institutional capacity of PAGASA and other organizations to provide climate risk information; and more broadly, to capture and analyze data, including through modeling, to better understand climate change trends over time, and make this information available to policymakers, project managers, and the public. It would also strengthen PAGASA's capacity to support planning under component 1 (including making advice available to the CCC); and the capacity of intermediaries and end users under component 2 to effectively utilize this information. It would also support component 2 activities by enhancing the observation network, including indigenous approaches.

The original cost of component 3 was US \$1.41 million of which US \$1.03 million was GEF grant financing.

4. Project Coordination (Appraisal estimate US \$0.4 million, Actual US \$0.9 million):

Overall coordination of the project would be the responsibility of the Department of Environment (DENR). A



project coordination unit within the Foreign Assisted and Special Projects Office would be responsible for coordinating and liaising with implementing units and regional offices, as well as ensuring submission of required reports to the World Bank. To facilitate project implementation during the first two years, provision was made for the grant to support a full-time project director and an assistant. The project management office would have a limited role in project implementation, as the agencies with the relevant mandates would implement specific components/activities through Memoranda of Agreement (MOA). Therefore, the office's main activity would be monitoring and evaluation (M&E). A Project Steering Committee (PSC) would be jointly led by the designated undersecretaries in DENR and DA, would meet quarterly, and be comprised of representatives of the participating organizations.

The original cost of component 4 was US \$0.81 million of which US \$0.41 million was GEF grant financing.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost by Component (in USD Million equivalent, for the GEF grant) (ICR Annex1)

Components	Appraisal Estimate (USD millions)	Restructuring Estimate (USD millions)	Actual (USD millions)	Percentage of Appraisal
Component 1: Strengthening the enabling environment for climate change adaptation.	0.59	0.15	0.15	25.4%
Component 2: Demonstration of climate change adaptation strategies in the agriculture and natural resources sectors.	2.94	2.76	2.20	74.7%
Component 3: Enhanced provision of scientific information for climate risk management.	1.03	0.87	0.63	61.2%
Component 4: Project coordination/ M&E.	0.41	1.19	0.90	225%
Total Project Costs	4.97	4.97	3.88	78.1%

Financing (ICR Annex1)

Source of Funds	Type of Co-financing	Appraisal Estimate (USD millions)	Actual (USD millions)	Percentage of Appraisal
Borrower (Republic of the Philippines)	Borrower contribution	50.45	6.95	13.8%
Global Environment Facility (GEF)	Grant	4.97	3.88	78.1%



Total Financing	55.42**	10.83	19.5%
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*** The TTL indicated that this was supposed to come as 'co-financing' from two other projects - Participatory Irrigation Development Project (PIDP) and Environmental and Natural Resources Project (ENRMP), but owing to implementation delays in CCAP project, the anticipated linkages between the three projects and the additional funding did not materialize.*

Key Dates (ICR page vi)

Approval: 06/29/2010

Restructuring: 12/01/2015

Closing: Original - 12/31/2015; Actual 12/31/2016

Restructuring:

The December 2015 restructuring changes included (i) extension of the closing date for the project; (ii) change in allocation of funds by component; (iii) change in legal covenants; (iv) and change in the results framework.

According to the ICR, the component activities were not revised during project restructuring, but their scope was changed to better reflect changes in activities that were being implemented, and costs were adjusted to better reflect actual costs during implementation. The change in scope of component 1 was that the climate screening tool was dropped as it was developed as part of the Bank's Programmatic Technical Assistance on climate change and so was not considered as part of the contribution of the project. Due to delays in fund disbursement, certain activities in component 2 and 3 were undertaken by the agencies with their funding. The increase in component 4 was to cover the salaries and operations funds of the project management office, given that the allocation was exhausted by the end of 2015 and there were no funds available for the extension period (January - December 2015). Additional activities included under component 4 were a Technical Summit involving all implementing agencies, and an Agroforestry and a Weather Index-Based Climate Insurance conference in November 2016. Component costs were revised for all components.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The World Bank has been a long-term partner of the government of the Philippines in the areas of agriculture and natural resources management – sectors within the Philippines that are vulnerable to climate change. According to the ICR, climate change adaptation was a priority for the World Bank's engagement with the Philippines in the Country Assistance Strategy (CAS) (FY10-12) which aimed to help the government reduce vulnerabilities by "piloting climate change adaptation measures, towards achieving more inclusive growth."

The design of the Philippines Climate Change Adaptation project (PhilCCAP) directly supported this CAS objective. PhilCCAP was also well aligned with the 2004-10 Medium-Term Philippines Development Plan and Philippine Development Plan, 2011-2016 (ICR paragraphs 50-51).

The project remains relevant to the FY 15-18 Philippines CAS Engagement Area 4: Climate Change, Environment, and Disaster Risk Management.



Rating

High

b. Relevance of Design

The ICR notes that PhilCCAP was developed on a strong analytical base and included lessons from previous Bank projects (ICR Box 1). The World Development Report (WDR) 2010 on Development and Climate Change provided some guidance for the PhilCCAP, for example, on the importance of increasing the coping capacity of populations as a part of CCA, and on the need to promote insurance given the uncertainty of climate change. PhilCCAP also drew on assessments from scientific publications on the impacts of climate change in the agricultural, water, coastal, watershed and forest resources in the Philippines.

PhilCCAP's activities were grouped under the four previously described components, each developed to respond to key constraints, including (i) lack of awareness of climate change and adaptation options among public and top-level decision makers; (ii) insufficient climate risk information, and where available difficulty in using climate change information; (iii) the relative newness of CCA limited the extent to which it had been incorporated in government plans and programs.

The results framework had moderate shortcomings - it was found lacking a clear flow from the statement of objectives to the intermediate and final outcomes. It listed the output level activities and indicators without clearly specifying the causal chain between Bank funding, outputs (components or policy areas), and intended outcomes. Exogenous factors and unintended (positive and negative) effects were not identified. However, overall the results framework was found to be appropriate and the data required for the indicators was not difficult to obtain.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To develop and demonstrate approaches that would enable targeted communities to adapt to the potential impacts of climate variability and change

Rationale

Outputs

The project developed the following methods and tools:



- Good Climate Change Adaptation Practices Manual;
- Climate Change Adaptation Among Farm Families and Stakeholders – a toolkit for assessment and analysis;
- Enhanced Climate-smart Farmers' Field School: program manual for providing extension on climate smart agriculture;
- COP (community of practice) user manual and web platform;
- Climate smart decision support system;
- Climate resilience-enhanced irrigation infrastructure on the Pinacanauan and Jaluar River Irrigation Systems;
- Weather index-based climate insurance (WIBCI) report and conference; and
- Climate resilience-enhanced protected area management plans for Penablanca (PPLS) and Siargao (SIPLAS) protected landscape and seascape.

Outcomes

The project demonstrated approaches for climate change adaptation among the target communities to:

1. Improve the information base for climate hazards and risk that would influence the design and selection of approaches;
2. Enhance capacity of government staff to use climate hazard and risk information in the development of approaches; and
3. Enhance capacity to identify options for climate change adaptation among agricultural and natural resource-dependent communities.

Achievement of PDO and Outcome Indicators (Table 3 of ICR, page 22)

PDO	PDO Indicators at Outcome Level	Baseline Value	Target (PAD)	Actual (ICR)
To develop and demonstrate approaches that would enable targeted communities to adapt to the potential impacts of climate variability and change	% of households surveyed in the targeted areas that adopt coping strategies, new technologies or improved farming practices to better cope with climate variability and change	0	20	35
	% of stakeholders surveyed in the targeted areas who have participated in or are knowledgeable of activities demonstrated by the project to reduce vulnerability or improve adaptive capacity	0	35	46.5
	Number of direct beneficiaries	0	2,031	2,104



The PDO indicators report on adoption and participation/knowledge acquisition rather than directly on development and demonstration. However, results in terms of reported outcomes, such as adoption and participation, are indirect measures of demonstration. Given that develop and demonstrate are closely linked, with one being the subset of the other, and occur in sequence, the PDO does not lend itself to being split into two as in the ICR. Given the PDO indicator achievements reported above, Efficacy is rated as Substantial.

Rating
Substantial

5. Efficiency

Economic and Financial Efficiency

The ICR does not directly report on the overall Economic and Financial efficiency of the project. As context, the PAD reports that due to the complexities of undertaking an economic evaluation of climate change adaptation projects, and given the nature of PhilCCAP, which is primarily piloting and demonstrating new approaches, financial and economic analyses were not undertaken for the preparation of the PAD. However, during project implementation, assessment of the economic impact and cost-benefit analyses were to be part of the selection criteria for proposed adaptation measures and tools that would be developed by the project. Models which take account of future climate impact would be analyzed to show the benefits from implementing adaptation measures and the possible economic losses that could occur if such actions were not taken (PAD paragraph 62 and Annex 9).

In Annex 3 of the ICR, detailed economic analyses have been extracted from the Final Feasibility study reports on the proposed improvement works on the Jalaur and Pinacanan river irrigation systems, which was one of the outputs (Subcomponent 2.1) and provided recommendations on how to use climate information to re-design irrigation infrastructure to be better suited to climate variability. The ICR claims (paragraph 64) that the changes made to the irrigation systems, though not yet implemented, will help to improve the water available for irrigation, and are important adaptation measures. The two planned retrofitted river irrigation systems were within NIA's Participatory Irrigation Development Project (PIDP) and the PhilCCAP therefore contributed to the general robustness of the investments made for irrigation development under the PIDP. However, as noted earlier and also below, the PIDP linkages did not fully materialize, and hence the efficiency and contribution of this sub-component remains difficult to assess.

The ICR (paragraph 67) notes that project funds were allocated to development and demonstration of CCA strategies which had public good, environmental and societal benefits, like ecosystem services, soil conservation, marine and terrestrial biodiversity conservation, carbon sequestration, and hydrologic regulation; however these benefits were not quantified. Annex 3 does present some quantification of benefits of Weather Index Based Crop Insurance and an estimation of the annualized cost of modern fish pots,



however the ICR states that the confidence in the results could be strengthened with more robust data collection on input costs (PhP), output (kgs of produce), and change in labor (no. of hours for undertaking a particular activity) (paragraph 69) . The ICR does not explain why the requisite data was not collected or reported.

Administrative and Implementation Efficiency

The project coordination expenses were twice of that originally estimated. The ICR reports that during restructuring, the budget for this component was increased from US \$0.4 million to US \$1.19 million to cover the shortfalls, cover costs for the project extension period as well as to organize technical summits – this expense, component 4, increased from approximately 10% to 20% of the original GEF grant.

The ICR notes (pages 28) that a shortcoming in the implementing agencies' performance was the significant delays in the downloading of project funds to implementing agencies. The effect of the delays in project implementation was the cancellation of several project activities and reallocation of expenses. Initial delays in project implementation led to a widening slippage rate in the second year of implementation (2012). This gap between the target and actual physical accomplishment rates were sustained mainly due to fiduciary issues, with funds for project implementation consistently being released belatedly, forcing executing agencies to either postpone or cancel activities.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Efficacy in achievement of the global development objective is rated substantial. The rating of the achievement of the objective is based on the PDO "to develop and demonstrate approaches that would enable targeted communities to adapt to the potential impacts of climate variability and change". As explained in the Efficacy section, the PDO does not lend itself to being split into two sub-objectives "develop" and "demonstrate" as in the ICR, given that develop and demonstrate are closely linked, with one being the subset of the other, and occur in sequence.



The overall outcome rating for the project is moderately satisfactory. The rating is based on high relevance of the objectives, substantial relevance of design, substantial achievement of the PDO (efficacy) and modest rating of efficiency. The project's objectives were found to be appropriate in the context of the vulnerabilities that the Philippines faces due to climate change, and were important for helping to advance the understanding and skills for adapting to climate change. The project's achievements, as captured by the indicators, indicate the achievement of the PDO.

a. Outcome Rating
Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

Several risks to achieving the global environmental objectives and the project results were identified during project preparation and respective mitigation measures proposed. For example, with the uncertainty of climate change and impacts there is a risk that adaptation efforts introduced may not be suitable. The mitigation measure considered by the project in this respect was to focus on reducing vulnerability to climate impacts. For example, reducing farmers' vulnerability through diversifying farms, and improving water management. Overall risk to development outcome is rated moderate.

Assessments of some specific types of risk considered in determining the overall risk presented in the ICR (paragraphs 74-79) are below:

- Technical risks are rated moderate: These risks have to do with (i) the technical capacity to develop some adaptation measures, for example the WIBCI, which requires the development of highly technical graphical user interfaces and consistent weather information to support the WIBCI implementation; and (ii) the turnover of regional technical staff resulting in loss of institutional memory and built-up capacity. Mitigation measures developed by the project to offset these risks include: (i) development of technical documentation for adaptation measures including developing the interfaces; (ii) installation of three new weather stations; and (iii) development of a weather stations investment plan that identifies the investment needs for weather stations across the Philippines, and their annual maintenance costs.
- Financial risks are rated moderate to low: The sustainability of interventions relies on the commitment of the government to make financing available to support CCA interventions. Given the initial commitment of the government to this project, it is likely that the interventions will be sustained.
- Political risks are rated moderate: This risk category relates to the change in priorities with the change in municipal governments. It is mitigated partly by the institutionalization of some tools and approaches by different agencies, and by the sustained interest of the central government in taking action on climate change, and supporting action at the local level on climate change.
- Institutional support risk is rated moderate: Institutionalization of tools has occurred for some tools, but not in every case. This risk is offset by the plans for institutionalization developed by the different implementing agencies, for example the National Irrigation Administration plans to officially adopt guidelines on irrigation



design for CC by December, 2017.

- Natural disaster exposure/ environmental risks are rated high: The Philippines has high exposure to typhoons, which places its population, infrastructure and assets at risk of damage from flooding, high winds etc. The PhilCCAP has developed several measures to reduce risks associated with typhoons and other hazards such as drought, through enhancing resilience of infrastructure and livelihoods, and increasing adaptive capacity.

4 out of 5 risks described above are rated modest, leading to an overall modest rating for risk to development outcome.

a. Risk to Development Outcome Rating

Modest

8. Assessment of Bank Performance

a. Quality-at-Entry

The design of PhilCCAP benefitted from extensive consultations and stakeholder workshops with upper-management and technical government officials, local government officials, civil society organizations including NGOs, academia, people's organizations, farmers, and development partners involved in CCA (ICR paragraph 81). The project also incorporated lessons learnt from other Bank interventions (ICR Box 1) to ensure that the project had technical soundness, feasibility, and incorporated good practices; and adopted operational guidance from other Bank-supported interventions like the Environmental and Natural Resources Project.

Following comprehensive clarification received from the project team, Quality of Entry is rated as satisfactory.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The task team provided close and regular supervision of the PhilCCAP during its implementation (ICR paragraph 82). Twelve supervision missions were undertaken, at about six-month intervals during the implementation of the project between 2011 and 2016. A midterm review was undertaken in December 2013 that provided opportunity for in-depth assessment of the project, and revision of the project, including the results indicators.

However, it appears that implementation delays and slow disbursement of funds was a cause of concern right from the beginning of the project (ICR paragraph 86). The effect of the delays in project implementation was the cancellation of several project activities. No clear explanation is recorded in the ICR for the reduction in borrower co-financing for the project, especially for component 2 and linkages with this delay, and efforts, if any, made during supervision missions to address the situation.

Following request for clarification, the project team's response mentioned that \$50 million was understood as



'co-financing' as it was expected that two other projects – the Participatory Irrigation Development Project (PIDP) and Environmental and Natural Resources Project (ENRMP) – would benefit from the work of the PhilCCAP (the demonstration of climate change adaptation strategies would take place under PhilCCAP, and these strategies would then be scaled up under the PIDP and ENRMP).

The project team later clarified that the 'co-financing' of \$50 million was erroneously tagged as such in the PAD and that "this was not discussed in the ICR as the team felt it was apparent that the inclusion of these projects as co-financing in the PAD was a clerical error." However, the supervision ratings were for the most part less than Satisfactory throughout project implementation and the ICR does not indicate the extent to which the Bank made efforts to link these projects during implementation, as originally envisaged. Quality of Supervision is rated as moderately satisfactory.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

Throughout the preparation and implementation of the PhilCCAP the government demonstrated strong ownership of the project, and high-level participation in the project, for example at the level of Secretary of the DA and DENR (ICR paragraph 84). The government maintained stakeholder inclusiveness during the implementation through the public sharing of project progress and achievement, and organized national workshops for dissemination of project products. However, this Review notes that there was a large gap in the counterpart funding (appraisal estimate for borrower contribution was US\$ 50.45 million and the actual contribution was US\$ 6.95 million). The TTL subsequently clarified \$50 million was understood as 'co-financing' as it was expected that, as explained above, two other projects would benefit from the work of the PhilCCAP (the demonstration of climate change adaptation strategies would take place under PhilCCAP, and these strategies would then be scaled up under the PIDP and ENRMP). However, due to the delays in implementation progress of the PhilCCAP, the anticipated linkages between PhilCCAP, ENRMP and PIDP did not materialize and consequently the funding was not realized. The ICR does not indicate the extent to which the Borrower made efforts to link these projects during implementation. However, the TTL's response mentioned that some other resources from the different agencies were made available during project implementation and were then accounted for towards the borrower contribution component.

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

The six implementing agencies of the project demonstrated strong commitment to the project (ICR



paragraph 85). This commitment was reflected in the high completion rate of activities for the project. The ICR notes (pages 28) that a shortcoming in the implementing agencies' performance was the significant delays in the downloading of project funds to implementing agencies. Also, there were delays in implementation by certain agencies which led to delays and reallocation of expenses. Initial delays in project implementation led to a widening slippage rate in the second year of implementation (2012). This gap between the target and actual physical accomplishment rates were sustained mainly due to fiduciary issues, with funds for project implementation consistently being released belatedly, forcing executing agencies to either postpone or cancel activities. The target of 2015 was readjusted to account for activities previously cancelled and rescheduled to the extension period (ICR page 51 graph). This review also notes that project implementation /M&E cost estimates more than doubled at restructuring – from appraisal estimate US\$ 0.4 million (from 2010-2015) to actual expense US\$ 0.9 million (after 2015) and restructuring estimate of US\$ 1.2 million.

Implementing Agency Performance Rating

Moderately Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The project developed a results framework that comprised two GEO level indicators and ten intermediate outcome indicators to help assess progress of the project and to guide implementation. The results framework was later revised during the restructuring (ICR paragraph 37). The results measurement framework was found to be overall appropriate (except the need to split the PDO sub-objectives, as noted in the Efficacy section) as the data required for the indicators was not difficult to obtain, and the data collection instruments – surveys and progress reporting – were appropriate for collecting the data needed for the indicators. For example, a baseline survey among the proposed beneficiaries on their awareness/ knowledge of climate change and use of climate change adaptation technologies was designed. The survey was to also include institutions which use information provided by PAGASA, on how they use and measure scientific climate information.

b. M&E Implementation

According to the ICR (paragraph 40), the project management office (PMO) facilitated regular meetings of the Project Steering Committee, meetings among implementing agencies, and coordinated implementation support missions of the World Bank. These meetings provided the opportunity to verify progress of the project's activities, and collect data on project results. For reporting, the PMO prepared and submitted quarterly project status reports and quarterly financial management reports to the DENR and to the World Bank. These submissions were in addition to the annual report submitted by the PMO to the DENR. The ICR reports that data collected for the GEO indicators were collected using surveys that were undertaken at the



mid-term, and then at the end of the project. Detailed guidance on the survey tool was developed by the Asian Institute of Development Studies and is included in the Final Evaluation Report of the PhilCCAP.

c. M&E Utilization

According to the ICR (paragraph 43), monitoring data were used to evaluate physical progress, disbursement progress, measure progress towards achievement of the PDO, and adjust work plans of the implementing agencies.

M&E Quality Rating

Substantial

11. Other Issues

a. Safeguards

Safeguard policies – Environmental Assessment (OP/BP 4.01) and Indigenous Peoples (OP/BP 4.10) – were triggered during appraisal, and the project was categorized as environmental assessment (EA) category B (ICR paragraph 44). Accordingly, a detailed environmental assessment was conducted as part of project preparation, and it ascertained that the overall environmental benefits of the project outweighed the envisaged negative environmental impacts. Mitigating measures to address potential impacts of enhancing irrigation infrastructure and agroforestry and livelihood activities were identified during appraisal. Recommendations for enhancing the environmental benefits of the project were made following the mid-term review site visit in Penablanca Protected Landscape and Seascape (PPLS). A social assessment was also undertaken, and it found that the project improved the income streams and distribution of opportunities among farmers, indigenous peoples and other beneficiaries. Safeguard compliance was satisfactory during the implementation of the project. Supervision missions noted the compliance with mitigating measures identified during the project appraisal for OP/BP 4.01, and OP/BP 4.10. The EA category was maintained at B following the project restructuring.

b. Fiduciary Compliance

Financial management (FM) reviews found that the project was generally able to maintain adequate FM systems, compliance with the legal covenants, and improvements were observed in FM reporting, for example, timely submission of quarterly interim financial reports and unqualified opinion on the financial report audits. The project experienced bottlenecks in fund transfers mainly due to delays in the issuance of the allotment release documents (ICR paragraph 46), and changes in the requirements for project fund liquidation between 2012 and 2015, which resulted in delays in disbursement even up to the first quarter of 2016. The rating for financial management was upgraded from moderately unsatisfactory to moderately satisfactory in the last year of the project, after the major challenge of liquidation of project expenditure by the DA was resolved allowing for



disbursement of funds for the implementation of project activities.

Procurement reviews found that there was overall compliance with procurement procedures as outlined in the grant agreement, including development and timely submission of procurement plans. Geotagging was found to be an innovative tool that helped in procurement and monitoring. However, overall procurement progress was hindered by several delays early in the project implementation. Earlier setbacks were due to delays in the processing of major contracts with firms at the DENR as well as the contracts of individual experts through the DA, as well as getting interests from qualified individual experts. The procurement rating was downgraded from Satisfactory to Moderately Satisfactory in the last semester of the project in view of a number of delays in procurement in the DA component of the project.

c. Unintended impacts (Positive or Negative)

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d. Other

Given the continued relevance of climate change adaptation and resilience in the Philippines, and the commitment of the government led by its Cabinet Cluster on Climate Change Adaptation and Mitigation and Disaster Risk Reduction, there are several identified opportunities for uptake of the tools, information and approaches generated by PhilCCAP (ICR paragraph 48). Phase 2 of the Philippines Climate Change Adaptation Project is also under development.

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	While Relevance of Objectives was rated High and Relevance of Design and Efficacy were Substantial, Efficiency was rated Modest. This brought Development Outcome to Moderately Satisfactory.
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Satisfactory	Moderately Satisfactory	No clear explanation is given for Bank efforts to mitigate disbursement delays and implementation bottlenecks
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---



Quality of ICR

Modest

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

Following is a selection of lessons from the ICR (paragraphs 88-90):

1. Pilot projects such as PhilCCAP require a clear and upfront methodology for assessing costs and benefits, in order to properly assess the pilot. The pilot project is essentially an experiment to understand if an approach is feasible, and replicable. A critical aspect of feasibility is the benefits and costs of implementing the project. If adequate attention is not spent on this aspect, it ultimately challenges conclusions about the pilot's feasibility, and decision on replication and scale up. The PhilCCAP as a pilot was not designed to capture this aspect of feasibility, and collected costs and benefits data for only one intervention.

2. Climate change is a cross-cutting issue which requires multi-sectoral and multi-agency engagement; such engagement requires project design that is flexible, and accommodates the time it takes for cross-sectoral collaboration. PhilCCAP facilitated convergence of DA, DENR, and other government agencies on a number of CCA interventions, and subsequent lessons emerging from the experience of these convergence opportunities are that they require (i) time and space to learn how to work with multiple sectors and agencies; and (ii) an iterative process to ensure that agencies derive sufficient benefits from convergence.

3. Buy-in and sustained engagement of local government is essential to achieve progress in climate change adaptation and sustainability of introduced interventions. A challenge in the Philippines, and in other countries, is the high turnover of local government staff, which occurs every three years. With changes in local government there are likely to be changes in priorities, and therefore government and financial support at the local level are important. The experience of PhilCCAP was that early engagement with new local government, and sustaining this engagement through integrating local government in project activities, was important for the progress of the project, and is likely to impact on its sustainability. Related to this point is the need to align CCA with the development priorities of the local government.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

Overall, the ICR is well-written and comprehensive. Subsequent communications with the project team highlighted examples of project outputs (like Climate Scenarios for PAGASA, and the various Manuals/ Toolkits and Guidelines) and their use, as quality of evidence. The ICR provided substantial country context and related challenges of climate change and adaptation initiatives. The lessons were thoughtful.



There was however a significant issue with internal consistency as it was not clarified in the ICR as to why the borrower 'co-financing' fell short by a large magnitude, and its implication for the reduction in the scope of activities, especially second component. The team later clarified that "the 'co-financing' of \$50 million was erroneously tagged as such in the PAD as it was expected that the two projects, the Participatory Irrigation Development Project (PIDP), and Environmental and Natural Resources Management Project (ENRMP) would benefit from the outputs and outcomes of PhilCCAP as it would strengthen the climate resilience of these two World Bank projects and PhilCCAP would also benefit from this partnership, in terms of using the implementation procedures in their Operations Manuals and using some of their existing implementation arrangements. This was in fact not cofinancing but a listing of the financing of projects with linkages and synergies to PhilCCAP and to which PhilCCAP was expected to contribute. The team would therefore like to clarify, that the implementation of the PhilCCAP and the achievement of project's objectives were not contingent on the PIDP and ENREMP, as evidenced by the project achieving its development outcome. This was not discussed in the ICR as the project team felt it was apparent that the inclusion of these projects as cofinancing in the PAD was a clerical error."

A relatively minor shortcoming was the quality of analysis whereby two sub-objectives were used in the ICR to report on the achievement of the PDO (which was rated as Substantial), despite the reduction of scope of several activities-, and the nested nature of the outcome indicators, where demonstrating technologies is a subset of their development.

a. Quality of ICR Rating

Modest