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PROJECT DOCUMENT
Philippines

Project Title: Financial Inclusion for Recovery of Marawi (FIRM)

Project Number: 00110891

Implementing Partner: UNDP Philippines

Responsible Partners: Oxfam, People's Disaster Risk Reduction Network, Inc. (PDRRN), PayMaya, Smart Padala, Al-Mujadilah Development Foundation, Inc. (AMDF), Ideals, Inc., Mindanao State University (MSU)

Start Date: 10 April 2018

End Date: 31 December 2018 **PAC Meeting date:** 16 July 2018

Brief Description

The recent armed conflict in Marawi City and other parts of Lanao del Sur, which is ranked as the poorest province in the Philippines, has resulted in more than 350,000 people being internally displaced, caused substantial damage and loss to public and private assets, and severely disrupted businesses and other sources of employment and livelihood. Until recently, economic activity had almost completely ceased in the areas affected by the conflict, placing an even heavier socio-economic burden on affected communities already facing personal and social challenges.

After nearly one year of displacement, however, local markets have begun to operate again in the affected areas. Within and around evacuation centers, commerce has emerged and some Internally Displaced Persons (IDPs) have started to sell wares and sundry items from inside the evacuation centers.

To accelerate and support socioeconomic recovery, substantial assistance is required for the IDPs to have ready access to appropriate financial resources for restarting business and livelihood activities. The assistance must also be geared toward making the recovered businesses and livelihood more resilient to future shocks as well as prevent populations from engaging in negative coping mechanisms, such as taking on unsustainable debt from unverified sources. As such, it will require a range of innovative and culturally appropriate methods, products and services.

In order to respond to this significant challenge, and as part of Marawi recovery efforts, this Financial Inclusion for Recovery of Marawi (FIRM) project shall provide support for micro, small, and medium enterprises for women and men IDPs affected by the conflict and other businesswomen and men lacking access for formal financial services. The project aims to contribute to the creation of alternative economic opportunities that give people a stake in the local economy, reduce the attraction of joining extremist groups, and close a critical service delivery gap that hinders inclusive development in one of the poorest parts of the country. The FIRM project seeks to build a sustainable financial system that offers both immediate assistance and effective and appropriate financial services and products, including those based on Islamic financial principles, to develop the capacity of IDPs affected by the Marawi conflict to manage their personal and business finances effectively and make businesses more resilient to future shocks.

Contributing Outcome (UNDAF):
By 2018, local and national duty-bearers and claimholders will have enhanced capacities to prevent, manage and resolve conflicts and to sustain peace. (UNDAF)

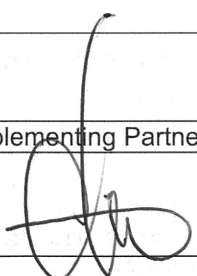
Indicative Output(s) with gender marker:

(1) 00110115 *Basic needs of 10,000 IDPs met and their livelihood restored through efficient, transparent and safe cash transfer (GEN2);*

(2) 00110135 *Pathways for improving and expanding access to inclusive financial products and services, including those based on Islamic finance principles and gender-sensitivity, defined. (GEN2)*

Total resources required:	USD 991,923
Total resources allocated:	UNDP TRAC:
	OCHA/CERF: 691,923
	BPPS: 300,000
	In-Kind:
Unfunded:	

Agreed by (signatures):

Government	UNDP	Implementing Partner
Print Name:	Print Name: Titon Mitra	Print Name: 
Date:	Date:	Date:

JUN 04 2018

I. DEVELOPMENT CHALLENGE

The armed conflict in Marawi City that lasted from May to October 2017 and the related clashes in other parts of the province of Lanao del Sur¹ caused by the violent incursions of home-grown ISIS-linked extremist groups² present immediate and long term humanitarian, peace, and development challenges affecting a population that is already suffering from massive poverty and manifold deprivations. Following nearly five-months of intense fighting in Marawi City, more than 325,000 persons were displaced according to government data.³ An estimated 95 per cent of these Internally Displaced Persons (IDPs) are staying with host families or in other temporary shelters, while the remaining 17,000 are staying in evacuation centers spread across the nearby towns of Lanao del Sur, Lanao de Norte, and Misamis Oriental. The conflict has also rendered twenty-four (24) out of the city's ninety-six (96) barangays comprising the central business district virtually uninhabitable after intense, unrelenting firefights and aerial bombardment reduced almost all of the buildings and physical infrastructure there into rubble. This particular segment of Marawi City is now being referred to as the "Most Affected Area" (MAA).

Six months since the Philippines forces successfully recaptured Marawi City and liberated it from the clutches of the extremists in October 2017, social services, public utilities, livelihoods, and the local economies for Marawi City and the neighbouring municipalities remain severely affected. The situation of the IDPs is particularly precarious. Average incomes have since dropped across the affected population, with over a third of those assessed reportedly spending anywhere between 53 to 65 per cent of income on food alone.⁴ Although some IDPs have already been permitted to return to their original places of residence within Marawi City,⁵ many others remained unable to do so particularly to the MAA where no return is currently possible. Authorities further note that some of those who have returned went back to evacuation centres or to their host communities due to delays in the restoration of utilities, lack of social services and the difficulty of accessing sustainable livelihood options to recover and rebuild. While local markets are slowly resuming around and within pockets of the returning communities as well as in and around the evacuation centers, food security, access to potable water and sanitation, as well as sustainable livelihood opportunities remain to be a challenge.

Cash support to the IDPs from the government that are meant support immediate financial and livelihood needs included a short-term cash transfer during Ramadan in 2017 and a one-off grant for returnees. The IDPs were also offered to join the government's modified cash transfer program where short-term cash-for-work opportunities were provided. Notwithstanding these, gaps still remain in terms of the financial support being provided to the IDPs. Many IDPs, especially those from the vulnerable and marginalized sectors such as women, persons with disabilities (PWDs), the elderly, and the youth who all tend to suffer more in situations of protracted displacement are struggling to meet their basic needs. Others have entirely no means of sustainable livelihood nor do they have any steady sources of income. Immediate and appropriate interventions are required to bridge this service delivery gap in order for the affected IDPs to meet their most basic and other needs.

The dire situation of the IDPs and their host communities adds to an already bleak overall development picture for Marawi City and the Lanao del Sur. The province of Lanao del Sur has the highest provincial poverty incidence in the whole Philippines at 66.3 per cent, according to recent official poverty statistics.⁶ Up to seven (7) out of every ten (10) persons in the province are poor. Meanwhile, Marawi City, the capital of Lanao del Sur, is home to some 19.3 per cent or about one in every five of the total residents of the province. Given its relatively small land area (87.05 km²), the city is considered as one of the most densely populated in the entire country. Apart from serving as the political and commercial center of the province of Lanao del Sur, the historic city of Marawi is also

¹ Such as in the Municipality of Butig, where there were intense clashes between the AFP and the Maute Group in February, May, and November 2016, through January 2017. At least 2,218 families (11,090 persons) were reported to have been displaced. See more: <https://reliefweb.int/sites/reliefweb.int/files/resources/Protection-Cluster-December-2016-January-2017-Displacement-Dashboard.pdf>

² Comprised of the Abu Sayyaff Group (Al Harakatul Islamiyyah Battalion) and the Maute Group (formally called, "Khalifa Islamiyah Mindanao"). The coalition of the two major groups came to be known as "IS-Ranao" and was headed by Isnilon Hapilon and the brothers Omar and Abdullah Maute.

³ This is according to Department of Social Welfare and Development (DSWD) Region X and Region XII data as of 7 Jan 2018.

⁴ Data from the Philippines Humanitarian Country Team, Update: Humanitarian Response and Resources Overview for the Displacement Caused by Conflict in Marawi City, accessible at: https://reliefweb.int/sites/reliefweb.int/files/resources/180306_Marawi%20Conflict%20Response%20and%20Resources%20Overview%20No4%206%20March%202018.pdf

⁵ Government authorities leading the Marawi crisis response within the Task Force Bangon Marawi (TFBM) have focused their attention on the organized return of the displaced population since November. A return intent assessment (survey) conducted by the Protection Cluster in September 2017 found 94 per cent of IDPs from Marawi want to return. Within two weeks of the end of the conflict, the Government started a phased return of Marawi City residents to barangays cleared of unexploded ordnance and mines. By the end of December, nearly 100,000 residents had been registered to return.

⁶ See 2015 Full Year Official Poverty Statistics of the Philippines, Philippine Statistics Authority (PSA) accessible at: <https://psa.gov.ph/sites/default/files/2015%20Full%20Year%20Official%20Poverty%20Statistics%20of%20the%20Philippines%20Publication.pdf>

considered as the birthplace and repository of Moro culture and intellectual tradition.⁷ Hence, it is regarded as a highly valued symbol of the Bangsamoro people.

In terms of overall human development, the situation in Lanao del Sur is reported to be 'worrisome'.⁸ Already one of the provinces with the lowest HDIs to begin with, it is, in addition, seemingly locked in a vicious cycle of falling incomes and failing health and education outcomes. While various interlocking factors account for these alarming statistics, the prevalence of armed violence and conflict is one of the most imposing developmental threats not only in the City of Marawi and the province of Lanao del Sur, but throughout the larger Muslim Mindanao region in the southern Philippine islands of Mindanao and the Sulu archipelago as well.⁹

The recent attack in Marawi City and the related violent extremist incursions, however, represent a new face of violence and conflict that is poised to further complicate the peace and security dynamics in the Muslim Mindanao region and the whole country. According to the Philippine Development Plan (PDP) 2017-2022 Chapter 17 (Attaining Just and Lasting Peace), the threats posed by private armed groups who have aligned with terrorist cells mar the socio-political environment in the conflict ground and serve as a needless source of preoccupation and distraction for the peace and development stakeholders. Above all, the continuing menace of violent extremism threatens the integrity of the present Bangsamoro peace process and poses a great challenge in the successful implementation of the peace agreements.

Radicalism and violent extremism in the southern Philippines, among others, are fuelled by a growing discontentment among disgruntled elements or former allies, supporters, and members of the Moro liberation movements. By feeding on the host of frustrations over the long drawn promise of peace¹⁰ and by capitalizing on the grievances of exclusion and deprivation of a people trapped in conflict and poverty for many decades, extremist elements have been successful in mobilizing support on the ground. Marginalization and exclusion, whether real or perceived, have been among the core drivers of the rebellion waged by the Moro liberation movements.¹¹ Now, with the rise of violent extremists within the same geographical space, this narrative of exclusion is being co-opted as a central rallying call for radicalization and recruitment.

There are many forms of exclusion as experienced and perceived in and around the surrounding environs of the conflict areas of Muslim Mindanao such as Lanao del Sur. Among the most palpable one is economic exclusion, which is defined as a multidimensional process that results in a particular group of people being prevented from participating fully and equally in the economic life thereby relegating them to a situation of acute economic disadvantage over an extended time.¹² Among the manifestations economic exclusion is the perennial lack of economic opportunities as well as the absence or manifest difficulty of access to resources, services, and products that are otherwise available to the other segments of the population.

It has been noted that the lack of economic opportunity is a major driver in the rise of violent extremism in the Muslim Mindanao area of the southern Philippines.¹³ Marginalized and at risk groups like IDPs are particularly susceptible to recruitment and radicalization. Without an effort to provide the displaced population with the resources and capabilities needed to rebuild the local economy, extremist groups will continue to grow and pose a threat to peace and stability. In terms of availability and access to viable economic and financial services and products, on the other hand, recent Bangko Sentral ng Pilipinas (BSP) data confirm that the Autonomous Region in Muslim Mindanao (ARMM) has the highest concentration of financially undeserved (i.e. "unbanked") citizens

⁷ This is primarily because Marawi City is home to the flagship campus of the Mindanao State University, the largest university system in Mindanao; as well, for its historic role as an old central district ('Dansalan') of the M'ranao people

⁸ 2012/2013 Philippine Human Development Report

⁹ The Muslim Mindanao areas, or the so-called Moro homeland, have been the theatre of more than forty years of conflict between the Philippine government and the Moro liberation movements, which stemmed from deep historical and contemporary disputes over power relations, property, and beliefs; and fuelled by a strong sense of social injustice, exclusion, marginalization and unequal distribution of resources including land. The provinces within what is now the present-day Autonomous Region in Muslim Mindanao (ARMM) have borne the brunt of this decades-long conflict.

¹⁰ One of the reported strategies that IS-Ranao utilized for recruitment and radicalization was precisely targeted at discrediting the current leadership of the Moro Islamic Liberation Front (MILF) over their supposed sell out in the peace agreement they signed with the Philippine government of the 'original' jihadist and religion-founded aspirations of the MILF in favor of worldly and economic interests.

¹¹ According to the report of the Transitional Justice and Reconciliation Commission on the Bangsamoro, "Systemic discrimination and exclusion have become part of the collective memory and experience for most of the people living in Muslim Mindanao." Read more at: <http://tjrc.ph>

¹² Solomon Greene, Rolf Pendall, Molly Scott, and Serena Lei (June 2016), "Open Cities: From Economic Exclusion to Urban Inclusion". Read more at: <https://www.urban.org/sites/default/files/publication/80166/2000770-open-cities-from-economic-exclusion-to-urban-inclusion.pdf>

¹³ Thomas Karuth Samuel, (2016), "Radicalization In Southeast Asia: A Selected Case Study Of Daesh In Indonesia, Malaysia And The Philippines." The Southeast Asia Regional Centre for Counter-Terrorism (SEARCC). Read more at: https://www.unodc.org/documents/southeastasiaandpacific/Publications/2016/Radicalisation_SEA_2016.pdf

in the Philippines.¹⁴ The limited access to financial services in ARMM is both a cause and consequence of the high levels of poverty and on-going conflicts. The perceived high risk of providing credit and saving facilities in ARMM, coupled with a low level of understanding of Islamic banking principles in the mainstream banking sector, has constrained further expansion of formal banking and financial services.

Current trends, however, suggest that progress could be made to expand access to financial services in ARMM, beginning with its conflict-affected communities such as the displaced populations following the Marawi siege. At a global level, microfinance institutions are expanding their operations in countries with significant Muslim populations and developing Sharia-compliant financial products tailored to the needs to Muslim communities.¹⁵ The BSP has established a National Strategy for Financial Inclusion that, among other things, seeks to reduce the number of unbanked. Implementation of the strategy has been incorporated into the Philippine Development Plan 2017-2022.

Within this overall context, UNDP proposes to implement this project of Financial Inclusion for Recovery of Marawi (FIRM), with elements that will provide immediate cash assistance to IDPs through the introduction and use of innovative, effective, and appropriate financial services and products, including those based on Islamic financial principles, in order to develop the capacity of IDPs affected by the Marawi conflict to manage their personal and business finances effectively and make businesses more resilient to future shocks. The long term impact of the project would see IDPs and the surrounding communities having a stake in the local economy, with reduced the attraction of joining extremist groups, and support the bridging of a critical service delivery gap that hinders inclusive development in one of the poorest parts of the country.

II. STRATEGY

Theory of Change

To meet urgent, life-saving needs of the Marawi conflict IDPs, the project seeks to support 10,000 of the most vulnerable IDPs to meet their basic needs through the provision of immediate cash assistance using innovative and appropriate cash transfer technology with a view, as well, of catalysing the restarting of businesses and livelihoods of the IDP groups. This is informed by the theory that the successful socio-economic recovery of IDPs requires immediate financial assistance geared toward making recovered businesses and livelihood more resilient to future shocks as well as prevent populations from engaging in negative coping mechanisms, such as taking on unsustainable debt from unverified sources or getting attracted to the lure of violent extremists. Additionally, the project also assumes that expanding economic (livelihood or business) opportunities requires the adoption of a range of innovative and culturally-appropriate methods, products and services. The thinking is that the direct infusion of cash into the local economy will help jump start local economic activities by enabling markets and by rendering critical value-chain systems functional, which will supply and distribute basic commodities to IDPs and thereby rapidly restore affected livelihoods.

According to an intentions survey conducted by the UNCHR in August 2017, it was found that 99 per cent of IDPs use cash to purchase their basic needs and procure materials for their businesses. Majority of the IDPs, based on the same survey, are generating livelihoods and deriving income from vending (43%), employment (29%) and service provision (28%). In January 2018, Oxfam and their partner organizations similarly conducted a local market survey as well as a feasibility study from which, it was confirmed that cash transfers were a preferred emergency relief intervention by the IDPs. According to the study, the preferred method of receiving cash support is via mobile devices, remittance centers, and bank transfers because these provide safe, secure, and efficient means of accessing cash-based support. Additionally, there is an overwhelming preference for cash transfers as means of supporting the meeting of IDPs lifesaving basic needs over in-kind donations as the former is viewed to be a more dignified way for IDPs to deal with daily subsistence needs.

- **How it will work:** To meet the identified basic food and non-food needs, UNDP—through its implementing NGO partner, Oxfam—will provide conditional cash grants utilizing the CERF allocation to target 10,000 of the most vulnerable IDP returnees, particularly women and girls and people from marginalized groups (e.g., people with disabilities, the elderly, social minorities). A digital platform will be used to disburse the

¹⁴ See the *Bangko Sentral ng Pilipinas Financial Inclusion Action Plan* at: <http://www.bsp.gov.ph/downloads/Publications/2016/Financial%20Inclusion.pdf>

¹⁵ Read more: El-Zoghbi, Mayada, and Michael Tarazi. 2013. "Trends in Sharia-Compliant Financial Inclusion." *Focus Note 84*. Washington, D.C.: CGAP, March.

cash grants, which will enable the project to maximize the benefit of safe, real-time, and transparent cash disbursement to IDPs.

Project beneficiaries who will be receiving cash under this component will do so through electronic personalized prepaid Visa cards, called iAFFORD. The iAFFORD card issued in partnership with PayMaya—a local digital and mobile transaction provider—will enable cash transfers on a real-time basis. The cash can then be quickly withdrawn at any local, community money-in, money-out center accredited by Smart Padala, through Bancnet automatic teller machines (ATMs), and in remittance centers using debit point of sales (POS) machines. The iAFFORD card also allows the recipients to make cashless purchases of basic goods and commodities via their SIM cards at identified Smart Padala or using POS machines at Visa-accredited stores.

- The cash transfers will be provided in the following modalities: (1) *Cash Grants*, where beneficiaries will receive a one-time conditional cash grants to be used by IDPs to meet their basic food and non-food needs provided they complete training on financial literacy and digital payments; (2) *Cash for Work or Cash for Care Work (CFW/CfCW)* wherein beneficiaries will be provided with cash to resume livelihood activities through emergency employment such as debris clearing, caring for sick, elderly and children and other related livelihood activities; and (3) *Cash for Asset Recovery (CFAR)* where a one-time cash grant is provided as micro-credit support to IDPs who were traders and into enterprises in the affected areas for recovery of lost or damaged assets or, if necessary, to support alternative livelihood activities (e.g., rendering financial services, sewing) of the affected traders, micro-merchants and enterprises.

Apart from making a contribution for life-saving socio-economic recovery for the IDPs, broader financial inclusion targets are built into the project to help address the critical service delivery gap that hinders inclusive development in one of the poorest parts of the country. This proceeds from the theory that improving access to financial services— including those based on Islamic finance principles— especially for micro, small, and medium enterprises, will not only improve and expand business and economic opportunities but will also help reduce the risk of attraction to joining extremist groups and address the longstanding service delivery gap pertaining to the lack of access of certain vulnerable populations to and inclusion in formal financial and economic markets.

According to the report of Oxfam “Marawi Response and Resource Overview” (2017), enabling access to formal financial products and services to underserved communities is a key strategy to promote inclusive development, which empowers households to better manage risks and/or recover from the impact of shocks and crises. Such an outcome directly responds to the exclusion effect that has been noted to be push factor towards radicalization and violence is minimized. Many studies have shown that the poor benefit enormously from access to basic financial services such as savings, credit and insurance. For firms, particularly the micro, small and medium enterprises (MSMEs), access to finance is associated with innovation, productivity, and job creation. A growing body of literature also suggests that financial inclusion can help alleviate poverty, reduce income inequality, and promote inclusive growth (Consultative Group to Assist the Poor, 2012; 2014).¹⁶

Finally, moreover, according to Klapper L. (2016), broadening financial inclusion is recognized as an important enabler of the sustainable development goals (SDGs). Pursuing financial inclusion with initial focus on its most vulnerable communities such as the IDPs affected by the conflict in Marawi and other parts of Lanao del Sur brings us closer to the pursuit of important development objectives. Opening more access to and use of financial services helps create the conditions that bring many of the SDGs within reach. Conversely, achieving the SDGs would be tougher without financial inclusion.

- How it will work: As the project aims to respond to immediate socio-economic recovery of the most needful IDPs affected by the recent extremist attacks in parts of Lanao del Sur, critical initial resources from the BPPS Funding Window allocation shall fast-track start-up and preparatory activities in support of the full implementation of the CERF-funded emergency lifesaving cash transfer component through the use of digital transaction platform. Among these is the conduct of indispensable analytical work on financial inclusion that identify options for expanding financial products and services, including those based on Islamic finance; as well as supporting stakeholder consultations. Both are of singular importance for understanding the opportunities and constraints for expanding financial services and products for vulnerable people displaced by the conflict in Marawi City and the surrounding areas. The other related critical support activities also include: validating and supporting the registration of target cash transfers

¹⁶ See: Gilberto M. Llanto, (August 2015) *ADB Working Paper Series Financial Inclusion, Education, and Regulation in the Philippines*. See also, Mynard Bryan R. Mojica and Claire Dennis S. Mapa, “AN INDEX OF FINANCIAL INCLUSION IN THE PHILIPPINES: CONSTRUCTION AND ANALYSIS”

beneficiaries; conducting initial training for local partners; establishing a monitoring system; developing and promoting communications materials that promote improved financial inclusion; and facilitating key policy and related technical dialogues as well as capacity building exercises with government agencies and other stakeholders with the view of incorporating financial inclusion as a strategy for strengthening social protection and long term development.

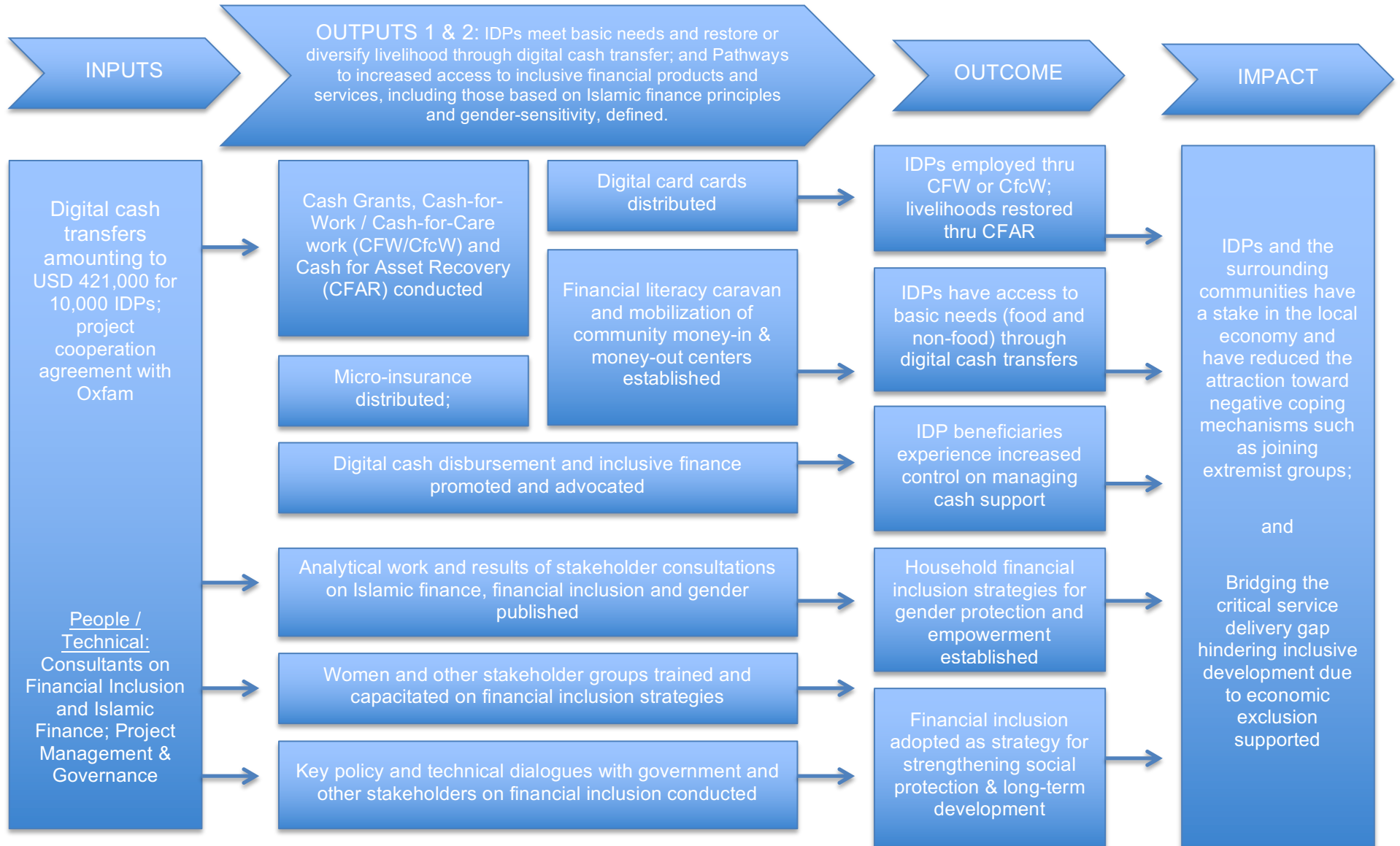
- Resources will be used under this project to support and strengthen gender sensitivity in the cash transfer program. To support women's empowerment, one of the cash for work in the project activities recognizes care-work as a productive activity for family survival and functioning. Financial literacy sessions will also be conducted on household financial management. Women's plans and voices will be amplified by the project for their empowerment to promote their active role in decision making and contribute to meeting their long-term and sustainable gender needs. Gender-sensitive communications materials will be tailored to the specific needs of women and women-headed households to support financial inclusion activities.

Alignment of the Theory of Change to the CPD and UNDAF

The project's theory of change adheres to the UN Development Assistance Program (UNDAF) Outcome 3.4, which envisions that "by 2018, local and national duty bearers and claimholders will have enhanced capacities to prevent, manage and resolve conflicts and to sustain peace" and furthers the UNDP Country Programme output on "Increased capacities of duty bearers and claim holders to build community resilience and protect vulnerable sectors in conflict affected/vulnerable areas." The project offers both immediate lifesaving cash assistance to the most vulnerable IDPs through innovative digital payments means and at the same time explores the pathways for the expansion of effective and appropriate financial services and products, including those based on Islamic financial principles, in order to develop the capacity of IDPs affected by the Marawi conflict to manage their personal and business finances effectively and make businesses more resilient to future shocks. The project bridges the connection between humanitarian and development assistance. Its object is to ensure that as the hardships being suffered by the victims of the conflict in Marawi and other parts of Lanao del Sur are being mitigated through the cash transfer component, there are also pathways being laid out in order for them to become more resilient to future shocks as they recover and return. These development pathways aim to direct the claimholders and the duty bearers toward bridging the critical service delivery gap related to financial and economic inclusion and prevention of violent extremism.

The overall envisioned impact of the project would also support the achievement of the Sustainable Development Goals, in particular Goal 16 (Peace and Justice), to "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels."

THEORY OF CHANGE (DIAGRAM)



III. RESULTS AND PARTNERSHIPS

Expected Results

The project will provide cash support to the most vulnerable IDPs affected by the conflict in Marawi and other parts of Lanao del Sur to be used in meeting their basic needs as well as to restore, expand, or diversify livelihoods through the use innovative, efficient, transparent, and safe cash transfer technology. Moreover, the project will likewise define pathways toward expanding access to inclusive financial products and services, including those based on Islamic finance.

Given these, the project will pursue two key outputs, as indicated below. Specific activities and indicators, and corresponding budget estimates for these are provided in the attached Results and Resources Framework (RRF).

Output 1: 10,000 most vulnerable IDPs affected by Marawi crisis, 60% of which are women, meet basic needs and restore or diversify livelihood through efficient, transparent and safe cash transfer and functional market.

An overwhelming 99% of the IDPs who were surveyed identified cash-based intervention as the preferred and context-appropriate mode of support for their life-saving needs. They identify this as the more dignified means of receiving support compared to in-kind distributions. Through the CERF funding and in partnership with Oxfam, 10,000 vulnerable IDPs in Marawi City and the municipalities of Bubong and Saguigaran, all of Lanao del Sur province shall receive cash assistance to meet their basic lifesaving needs through the use of safe, secure and efficient cash transfer technology.

Cash transfers will enable IDPs to meet provisions of basic goods such as food and non-food items like water, kitchen utensils, etc. and services directly from local traders and service providers, rather than from the government or aid agencies. Cash transfer also aims to stimulate the reinvigoration of the local markets and economy. Through the infusion of cash, local economic activities, markets and critical in value-chain systems can become functional again to supply and distribute basic commodities to IDPs and rapidly restore vulnerable affected livelihoods. In Marawi, primary livelihoods affected by the crisis apart from agriculture are trading, commerce and services.

Beyond the provision of basic humanitarian needs, there is a need to support the recovery of businesses and livelihoods of the affected population in the medium term. The conflict and consequent displacement have significantly reduced economic activity and placed heavier socio-economic burden on communities already facing personal and social challenges. IDPs typically find it harder to recover their socioeconomic capacities, given pre-existing vulnerabilities, additional security challenges, and diminished access to financial resources and destruction of legal papers and identification. To address this, the project under Output 1 integrates activities such as cash-for-work / cash-for-care work as well as cash for asset recovery where a one-time cash grant is provided as micro-credit support to IDPs who were traders and into enterprises in the affected areas for recovery of lost or damaged assets or, if necessary, to support alternative livelihood activities (e.g., rendering financial services, sewing).

The cash transfer program will provide assistance to all IDPs with complete impartiality regardless of religion, ethnicity, political opinion and gender. However, gender and context-based analysis and disaggregated baseline data will inform and be integrated into the project design, implementation and in accountability mechanisms to address immediate gender needs, priorities of women and the effects of gender dynamics on position, role and decision making of women. Gender equality and women's empowerment shall be a priority of the cash transfer project. Thus, under Output 1, support women's participation shall be achieved by including women with immediate needs (i.e. lactating, pregnant, solo parent, elderly and with disability), among others. The project will also aim to mitigate protection issues and increase security measure through the highest observance of code of conduct aligned to moral and ethical standards of the local culture for prevention of sexual exploitation and abuse and monitoring of gender-based risks or violence associated with use of cash aid or resources.

Output 2: Pathways to increased access to inclusive financial products and services, including those based on Islamic finance principles and on gender-sensitivity, defined.

Addressing the plight of those affected by the conflict in the City of Marawi and other parts of Lanao del Sur presents an opportunity to meet the challenges brought about by financial exclusion in the context of social and economic recovery for Marawi within the short- and medium-term, and inclusive peace and development in the

longer term for the rest of the ARMM and even beyond. Adopting digital payment solutions as the modality for this is a pathway to expanding access to financial products and services that are secure, efficient, and speedy; and through which money can flow with much potential to spur the establishment and expansion of faster and broader-based livelihoods or businesses.

To sharpen and better define the pathways to increasing or expanding access to inclusive finance, the project under Output 2, which shall be supported by the BPPS-FW allocation will, among others, fast track the necessary preparatory activities for the digital cash transfer component in Output 1 above. This includes undertaking indispensable analytical work on financial inclusion that identify options for expanding financial products and services, including those based on Islamic finance; as well as supporting the holding of related stakeholders consultations. These preparatory activities are of singular importance for understanding the opportunities and constraints for expanding financial services and products for vulnerable people displaced by the conflict in Marawi City and the surrounding areas.

Additionally, Output 2 on defining pathways for improving and expanding access to inclusive financial products and services, including those based on gender sensitivity and Islamic finance principles, shall be obtained through the following: coordination, validation, and monitoring activities in support of the registration of target cash transfers beneficiaries; conduct of training with local women partners on financial inclusion, empowerment and protection; and pushing for the sustained advocacy, learning, and communications towards the improved access to inclusive finance.

To account for the gender dimensions in relation to defining the pathways toward inclusive finance, priorities of women and the effects of gender dynamics on position, role and decision-making on budgeting and finance at the households and business-levels will be integrated in the project. Women's traditional role in the family as budget and resource manager exposes them to an increased risk of abuse and violence. Financial literacy and household budget management, under Output 2, will target both men and women in the family on the matter of managing and deciding on the use of the cash with a view of developing approaches to mitigate such risks. Training and capacity development activities on gender-based budgeting and protection shall be prioritized. Supporting activities that contribute to meeting women's long term and sustainable gender needs shall be conducted. These activities can be done in partnership with credible institutions and organizations such as women's networks and CSOs that have established business and finance expertise or extensive grassroots engagements (e.g. those part of N-Peace network or Nisa Ul-Haq fi Bangsamoro).

To emphasize the catalytic and longer-term directions of the project, under Output 2, key policy and related technical dialogues as well as capacity building exercises will be organized with government agencies and other stakeholders on incorporating financial inclusion as a strategy for strengthening social protection and long-term development.

Resources Required to Achieve the Expected Results

To effectively implement the project, UNDP with funding support from CERF and the BPPS-FW will deploy qualified personnel and hire experts as appropriate. Resources, as such, will be required for the engagement of expert staff and consultants – both local and international – whose contributions are necessary inputs for both the operational and substantive delivery on the targets and results detailed above, e.g. in the conduct of background analytical work and stakeholder consultations, and in overall project direction and management. In relation to project management and implementation, costs corresponding to activities that directly support the project, such as UNDP staff time for human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management services also require resources in order to meet the project objectives and results. Additionally, the project will entail resources for engaging and partnering with indispensable partner institutions – the details of which are discussed in the succeeding section.

The biggest chunk of inputs to which the corresponding resources will be dedicated is lodged in the cash transfer component. This includes costs related to the production and distribution of the prepaid cards, the amounts that will be credited to these cards as cash assistance, among others. Associated inputs to deliver on Output 1 and Output 2 also entail resources for dedicated staff and personnel, transaction, travel, training, information, education, monitoring, and other operational costs.

All details on anticipated programmatic and operational costs to support the project can be found in Part VII of this project document.

Partnerships

Through a project cooperation agreement, Oxfam shall be the primary implementing partner in this project. Oxfam will take lead in the field level execution of the project, ensuring all financial obligations to project service providers, other partners and/or sub-contractor will be settled and fulfilled according to project plan and deliverables as scheduled. Following its long tradition of local humanitarian leadership, Oxfam will work with its own network of local CSO partners with whom Oxfam already has long-standing working relationships.

Through a prior UNDP-supported micro capital grant, Oxfam has been undertaking associated activities to the cash transfer component of the project, such as profiling and registration of eligible IDPs and training of local partners that will enable the rapid operationalize the cash transfer on the ground. Oxfam also has established a partnership with lead financial technology companies in country and globally, namely: PayMaya for digital mobile payment disbursement, Smart Padala for money-in and money out services at the village level, Smart Communications for enabling connectivity on mobile banking services and Visa Inc. These existing partnerships will enable Oxfam to efficiently and quickly disburse cash transfer in batches on a real time basis.

Other local partners will be tapped as well to deliver on the other outputs of the project. With regard to capacitating and training women and men on household-level financial inclusion strategies toward gender empowerment and protection, credible institutions and organizations such as women's networks and CSOs that have established business and finance expertise or extensive grassroots engagements (e.g. those part of N-Peace network or Nisa Ul-Haq fi Bangsamoro) will be engaged by the project. Key institutions, both public (i.e., government such as the Bangko Sentral ng Pilipinas and the Mindanao Development Authority) and private (e.g. CARD-MRI and other micro financing institutions) will also be targeted for collaboration and exchange in relation to the activities on policy and technical dialogues on incorporating financial inclusion (and Islamic finance) as a strategy for social protection and long term development.

Risks and Assumptions

The primary risk that can frustrate the achievement of the results of the project rests on the behavioural and attitudinal dimension of the prospective recipients of cash assistance, especially in the context of highly volatile and emotions-charged environs that the Marawi IDPs currently find themselves in. Having been in displacement for nearly a year with no clear path toward longer-term return or relocation, many have pent up frustrations that may adversely affect the broader recovery, rebuilding, and rehabilitation processes, of which this project is a part. Relatedly, there is also no clear indication that the amounts to be disbursed as cash assistance will be considered or received by the beneficiaries as adequate in terms of meeting basic needs and more so, for restoring or revitalizing sustainable livelihoods. Unrealistic expectations about the promise of the project can negatively affect the attitudes of the recipient and make them doubtful of the usefulness of participating in the project.

In order to mitigate these risks, the project has to be absolutely careful in its engagement with the beneficiaries especially in managing expectations. The project will do well to also take stock and lessons from the experience of other aid agencies and even of the government regarding the frustrations and vulnerabilities of expectations on the part of the IDPs in order for the project to gain insight on sensitivity and context-specific approaches that will inhibit the development of unrealistic expectations and, more importantly, solicit genuine interest and participation from the IDPs.

The use of new technology in disbursing cash assistance carries a risk of its own because it assumes that these technologies can be used and readily operated in the remote towns and areas where some of the beneficiaries are currently found. There is likelihood that the cash cards could be viewed as burdensome as compared to simple, straight up cash distribution.

To mitigate such as risk, the project implementation team must ensure that the training and capacity development of IDPs pertaining to the use and maximization of the benefits of the cash card are carefully handled. Demonstrations and practical exercises must be integrated in these so that the IDP-beneficiaries can see first hand the ease and comfort of using the card. It would be useful for the project to be ready with detailed instructions and directions to beneficiaries on specific locations or areas where the cards can be used and where it cannot.

Finally, working on the assumption that introducing the innovative digital payments technology will be a pathway toward improving access to inclusive financial services and products, including those based on Islamic finance principles, comes with the risk that the necessary preconditions for such products and services may not yet be in place or not even be known to the target population. The current policy and investment environment in the

Philippines, for instance, does not yet fully allow the entrance of Shari'ah compliant financial products and services.

To address this risk, the analytical and consultations work must be able to draw out the critical problem areas as to why these inclusive financial products and services are not yet readily available and propose a roadmap toward their resolution. Information and advocacy activities should also ensure that the necessary audiences are reached on this matter.

Stakeholder Engagement

The key stakeholders of the project are the IDPs affected by the Marawi siege, from which the 10,000 beneficiaries will be selected. Through close coordinating and engagement with government partners as well as by tapping into existing networks of aid and development workers on the ground doing work with these IDPs, the following common set of criteria will be used to identify IDPs that will be provided with cash grants:

- Families whose habitual residence/displace location is in conflict-affected area or has experienced single / multiple displacement(s) due to conflicts, tribal feuds, development aggression and natural disasters
- Families living below the poverty threshold and currently or previously covered by the Department of Social Welfare and Development (DSWD) CCT (Conditional Cash Transfer) / MCCT (Modified Conditional Cash Transfer) program and SLP (Sustainable Livelihood Program)
- Has no (or lost) birth certificate or identification card and has difficulty accessing social welfare services due to lack of civil and identification documentation
- Has not received family access card from the DSWD, which allow disaster-affected families to access humanitarian assistance
- Families whose livelihood are seasonal, lacks formal work arrangement, lacks decent working condition, has no access to social security and social dialogue such as parents of child laborers, landless farm workers, fishery workers, small transport workers, home-based workers, and returning/displaced overseas Filipino workers (OFWs) in disaster-stricken areas
- With pre-existing vulnerabilities: poor with large households; with pregnant, lactating mothers; female solo parent/female headed household; child headed household; with disability family members, elderly, indigenous persons, LGBT; and with
- No or lack access of formal financial services.

To ensure that direct stakeholders as well as other potentially interested groups and institutions have ready access to information and directions of the project (including on its environmental and social impacts), a multi-stakeholder advisory board will be constituted to serve as the primary tool for stakeholder engagement. The advisory board's primary function will be to ensure that the project is being implemented in an inclusive and conflict sensitive manner, and that unanticipated impacts from project activities can be easily received and reported, and properly mitigated.

A sustained effort will be made to include women, youth, and civic groups in the delivery of all project outputs, and to ensure that women constitute at least one-fifth to one-third of the participants in all training and capacity building exercises, and in dialogue sessions.

South-South and Triangular Cooperation (SSC/TrC)

The project does not entail formal South-South or Triangular Cooperation. However, technical expertise and lessons learned will be sought from financial inclusion as well as Islamic finance experiences in the Southeast Asia region and other jurisdictions to better inform Philippines' own efforts.

Knowledge Products

The results of the analytical and consultation work in Output 2 will be the primary knowledge product of the project. Knowledge Products produced by Oxfam, as primary implementing partner, alongside its own network of CSO and other groups that support the results and outputs, shall acknowledge the support provided by UNDP, and include UNDP's logo as well as a disclaimer that the opinions presented are by the author and not necessarily endorsed by UNDP.

Sustainability and Scaling Up

Based on initial discussions with the Department of Social Welfare and Development (DSWD), there is a potential to attract government resources to scale up project activities by significantly expanding the use of digital transactions for cash transfers, pertaining to other existing and potentially new government projects where some form of cash transfer is or may become a component. To ensure national ownership of these initiatives, the DSWD primarily, as well as other key local, regional, and national government agencies such as the National Economic Development Agency (NEDA) will be tapped and consulted on the development of the project.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

All project activities will be implemented in close partnership with responsible partner organizations, such as Oxfam, which has detailed knowledge of the complex political and cultural terrain of Muslim Mindanao, in particular the areas in Lanao del Sur, and also with extensive local operational networks. This will help reduce both initiation and implementation costs.

Project implementation will also be reviewed on a bi-monthly basis to ensure that the original theory of change with regard to the provision of immediate cash transfers via innovative technology and expansion of financial inclusion holds so that costly, late adjustments to project implementation will be avoided.

Project Management

The project will be overseen by a multi-stakeholder Project Advisory Board, which will provide overall guidance, review project results, as well as take steps to improve project delivery and performance. It will also serve as the primary platform for monitoring and evaluation of the project. The Board will meet at least twice and on-need basis. *(Please refer to Section VIII for more details on the governance and management arrangements)*

Following the guidance of the Board, the Project Management Team, to be led by the Team Leader of the Resilience and Peace Building Unit (RPBU) of the UNDP will run the project on a day-to-day basis to ensure that the project produces the results (outputs) specified in this project document. This will be achieved through close coordination with the primary project partner, Oxfam, who will also represent the digital cash transfers group comprised of the other partner organizations, i.e. PDRRN, Smart Padala, PayMaya, Al-Mujadilah Development Foundation, Inc. (AMDF), Ideals, Inc., and the Mindanao State University.

Meanwhile, quality assurance will be overseen by the UNDP Deputy Country Director and the Management Support Unit.

Project team will be based in Manila and Cotabato as follows:

Manila:

- (1) Senior Economist/Conflict Specialist
- (1) RPBU Team Leader
- (1) RPBU Programme Analyst
- (1) RPBU Programme Associate
- (1) RPBU Programme Assistant
- (1) Information Management Officer

Cotabato / Iligan:

- (1) Early Recovery Coordinator
- (1) Administrative and Finance Associate
- (1) Driver

V. RESULTS AND RESOURCES FRAMEWORK¹⁷

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:
UNDAF 2012-2018 Outcome 3: By 2018, local and national duty-bearers and claimholders will have enhanced capacities to prevent, manage and resolve conflicts and to sustain peace.

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:
CPD 2012-2018: Outcome 53: Capacities of claimholders and duty-bearers are strengthened to promote human rights, inclusivity, integrity, accountability and rule of law in governance

Applicable Output(s) from the UNDP Strategic Plan 2018-2021:

Output 1.1.2 Marginalised groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services¹ and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs

Project title and Atlas Project Number: Financial Inclusion for Recovery of Marawi (FIRM) 00110891

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹⁸	DATA SOURCE	BASELINE		TARGET	DATA COLLECTION METHODS & RISKS
			Value	Year	FINAL	
Output 1 00110115 <i>10,000 most vulnerable IDPs affected by Marawi crisis, 60% of which are women, meet basic needs and restore or diversify livelihood through efficient, transparent and safe cash transfer and functional market.</i>	<i>1.1 Number of IDPs with immediate access to basic needs (food and non-food) through digital cash platform</i>	Oxfam, PDRRN	0	2017	10,000 (6,000 women and 4,000 men)	Accomplishment and Progress Reports
	<i>1.2 Number of IDPs employed through cash for work or cash for care work activities utilizing digital cash platform</i>	Oxfam, PDRRN	0	2017	1,050 (150 from Bubong; 150 from Saguigaran and 750 from Marawi)	Accomplishment and Progress Reports
	<i>1.3 Number of people with recovered asset/diversified livelihood through digital cash platform</i>	Oxfam, PDRRN	0	2017	600 (150 from Bubong; 150 from Saguigaran and 300 from Marawi)	Accomplishment and Progress Reports
	<i>1.4 Percentage of women receiving cash transfer benefits through digital cash platform</i>	Oxfam, PDRRN	0%	2017	At least 60%	Accomplishment and Progress Reports
	<i>1.5 Number of people owning personalized iAFFORD pre-paid card (digital cash platform)</i>	Oxfam, PDRRN	0	2017	10,000 (6,000 women and 4,000 men)	Accomplishment and Progress Reports
	<i>1.6 Amounts distributed through the digital cash transfer platform</i>	Oxfam, PDRRN	0	2017	USD 421,000 (USD 341,515 for unconditional cash grant, USD 42,945 for Cash for care/work; and USD 36,540 for Asset recovery)	Accomplishment and Progress Reports
	<i>1.7 Extent to which beneficiaries experience increased control on managing cash support to meet basic needs and faster income</i>	Oxfam, PDRRN	0%	2017	Largely – where at least 60% of beneficiaries positively feel increased	FGDs and KIIs

¹⁷ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understands the results of the project.

¹⁸ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

	<i>recovery through the digital cash platform</i>				control over cash management	
	<i>1.8 Number of micro-merchants activated or accredited for cash pay-out and selling of basic goods</i>	Oxfam, PDRRN	0	2017	50 (7 Saguigaran, 7 Bubong, 36 Marawi)	Accomplishment and Progress Reports
Output 2 00110135 <i>Pathways to increased access to inclusive financial products and services, including those based on Islamic finance principles and gender-sensitivity, defined.</i>	<i>2.1 Number of Knowledge Products of the results of the analytical and consultation work on financial inclusion, Islamic finance, and gender</i>	<i>Accomplishment Reports from implementing partners</i>	0	2017	2	Accomplishment and Progress Reports
	<i>2.2 Percentage of women participating in the analytical and consultations work</i>	<i>Accomplishment Reports from implementing partners</i>	0	2017	60%	Accomplishment and Progress Reports
	<i>2.3 Number of women and men trained / capacitated on household financial inclusion strategies for gender protection and empowerment</i>	<i>Accomplishment Reports from implementing partners</i>	0	2017	200 (60% women, 40% men)	Accomplishment and Progress Reports
	<i>2.4 Number of advocacy materials developed promoting financial inclusion, including Islamic finance, as a strategy for strengthening social protection and long-term development</i>	<i>Accomplishment Reports from implementing partners</i>	0	2017	5	Accomplishment and Progress Reports
	<i>2.5 Percentage of women participating in trainings and capacity building on financial inclusion, Islamic finance, and gender</i>	<i>Accomplishment Reports from implementing partners</i>	0%	2017	60%	Accomplishment and Progress Reports

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		USD10,000
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		USD10,000
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		USD1,000
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		USD1,000
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		USD1,000
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			USD720
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least twice during the duration of the Project	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		USD1,000

Evaluation Plan

Under UNDP guidelines, the programme will go through an assessment of the programme results at the end of its implementation (i.e. terminal evaluation), as assessed by the Project Advisory Board. The terminal evaluation will engage the full range of programme stakeholders, and offer concrete recommendations for course corrections as appropriate. An audit of the programme will be conducted based on standard UNDP audit guidelines.

VII. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year	RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1		Funding Source	Budget Description	Amount
Output 1 00110115 10,000 most vulnerable IDPs affected by Marawi crisis, 60% of which are women, meet basic needs and restore or diversify livelihood through efficient, transparent and safe cash transfer and functional market. <i>Gender marker: GEN2</i>	1.1 Project Cooperation Agreement with Oxfam, covering the conduct of activities, such as – Cash Grants, Cash-for-Work / Cash-for-Care work (CFW/CfcW) and Cash for Asset Recovery (CFAR) activities; Beneficiaries selection and digital card distribution; Financial literacy caravan; Mobilization of community money-in & out centers; Post-distribution monitoring; Community market mapping and livelihood inventory; Distribution of micro-insurance; Documentation of case stories and learning; Advocacy and promotion of digital cash disbursement including Islamic financing with key stakeholders	X	Oxfam, PDRRN, PayMaya, Smart Padala, et al.	CERF	72600- GRANT 75700 – Learning Costs	571,879.00 5,000.00
	1.2 Monitoring and coordination	X	UNDP	CERF	71600 – travel	16,720.00
					73400 – RMOE Transpo	8,000.00
	1.3 Project Management Cost	X	UNDP	CERF	71300 - International Consultant	11,458.00
					71400 -Service Contracts-Individuals	33,600.00
	General Management Support	x	UNDP	CERF	75100 - Facilities & Administration	45,266.00
Sub-Total for Output 1					691,923.00	
Output 2 00110135	2.1 Conduct analytical work and stakeholder consultations on financial inclusion and Islamic finance	X	UNDP, Mindanao State University, MinDA	BPPS-FW	72600- GRANT	150,000.00
					75700 - Learning Cost	10,000.00

Pathways to increased access to inclusive financial products and services, including those based on Islamic finance principles and gender-sensitivity, defined. <i>Gender marker: GEN2</i>	2.2 Facilitate key policy and related technical dialogues with government agencies and other stakeholders on incorporating financial inclusion, including Islamic finance, as a strategy for strengthening social protection and long term development	X	UNDP, Mindanao State University, MinDA, BSP, Congress, micro-finance groups (e.g. CARD-MRI)		72600- GRANT	15,000.00	
	2.3 Capacity building exercises on financial inclusion, gender, and Islamic finance	X	UNDP, Mindanao State University, MinDA, BSP, Congress, micro-finance groups (e.g. CARD-MRI)		75700 - Learning Cost	15,000.00	
	2.4 Validation activities in support of the registration of target cash transfers beneficiaries	X	UNDP		71600 - travel	10,373.83	
	2.5 Conducting training with local women partners on financial inclusion, Islamic finance, empowerment, and protection	X	UNDP, Nisa Ul-Haqq fi Bangsamoro, NPeace Network		72600- GRANT	15,000.00	
	2.6 Project Management / DPC (Start up and day to day operations)			UNDP	BPPS-FW	71400- Service Contract Individuals	10,113.85
						72400- Communication	1,281.09
						72200 - Office Equipment & Furniture	6,742.57
						72500 -Office Supplies	2,409.96
						72300 -Fuel & gasoline	1,618.22
						73100- Office Common Premises	2,697.03
						74100 -Audit	1,733.80
						71600 -Travels	7,369.82
						61100 - DPC-CO	16,033.66
	General Management Support		UNDP	BPPS-FW	75100 – Facilities & Administration	19,626.17	
Sub-Total for Output 2						300,000.00	
TOTAL						991,923.00	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

A Project Advisory Board will be established to:

- Provide inputs relative to the project's overall strategic directions
- Provide inputs as may be necessary to ensure continued relevance and effectiveness to achieve the project's intended results
- Review and approve project work plans when required and authorizes any major deviation from these agreed work plans.
- Provide inputs / advise on solutions towards addressing bottlenecks and challenges in project implementation
- Project reviews at designated decision points during the running of a project, or as necessary when raised by the Project Manager

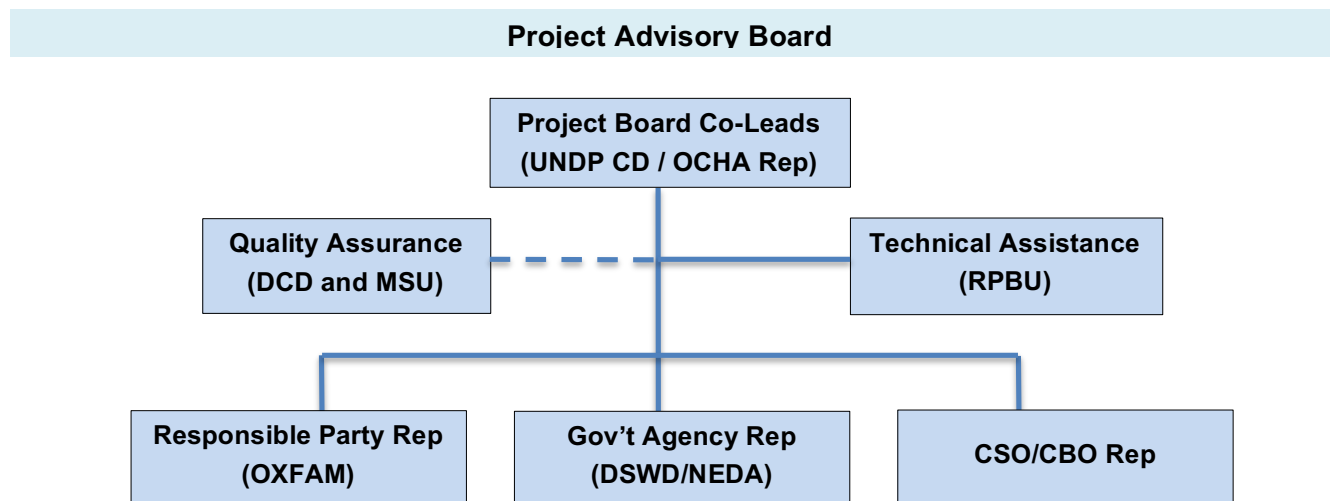
The Project Advisory Board members are:

- The Project Board Executive: represented by the UNDP Country Director and the Donor Representative (OCHA) who will act as Co-Chairs of the Board
- Primary Responsible Party: Represented by OXFAM,
- Project Beneficiaries: Government Agency Representatives (such as DSWD and NEDA), Civil Society Organization Representatives (CSOs) or Community-Based Organizations (CBOs).

Quality Assurance (to ensure that the project remains strategic, relevant, efficient, effective, sustainable, and meets social and environmental standards) will be the responsibility of the Deputy Country Director and the Management Support Unit.

Meanwhile, the Resilience and Peace Building Unit (RPBU) will provide project management and support services in close coordination with the primary responsible partner, Oxfam. The other implementing responsible partners on the ground, namely: PDRRN, Smart Padala, PayMaya, Al-Mujadilah Development Foundation, Inc. (AMDF), Ideals, Inc., and the Mindanao State University shall be coordinated, supervised, and represented in the Project Board by Oxfam.

The Project will be implemented by UNDP through Direct Implementation (DIM) modality. Components of the project will also be implemented through a Project Cooperation Agreement between a Responsible Party (such as OXFAM) and UNDP.



IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the Philippines and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds re used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party’s, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party’s, subcontractor’s and sub-recipient’s obligations under this Project Document.
 - c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

- d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

- 1. Project Quality Assurance Report**
- 2. Social and Environmental Screening Template**
- 3. Risk Analysis**
- 4. Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)