

ANNUAL PROGRESS REPORT¹
YEAR 2020



*Empowered lives.
Resilient nations.*

A. BASIC INFORMATION

Project ID / Output ID	00125773 / 00121117	Reporting Date:	8/12/2020
Full Title:	Adaptable Digitally Enabled Post-Crisis Transformation (ADEPT) Project (COVID-19 Pasig City)		
Start Date:	05/01/2020	Completion Date (and approved extension, if any):	10/30/2020
Total Project Fund (and fund revisions, if any):	USD 333,039.94	Annual Project Fund: AWP Budget (2020)	USD 333,039.94
Implementing Partner:	United Nations Development Programme (UNDP)		
Donor/s:	Pasig City LGU and UNDP		
Responsible Parties:			
Project Description	<p><i>Guidance: Provide a brief introduction of the project so that even someone who is not familiar with the project (e.g. staff in donors' HQs) will get a good sense of what the project is about and what it is trying to change—i.e. results it is trying to produce. [2000 characters max]</i></p> <p>As part of the immediate COVID-19 response, some national government agencies (NGAs) and local government units (LGUs) are implementing household cash transfer programs and providing support to micro-, small- and medium-sized (MSMEs) that entails disbursing funds to millions of identified households and businesses within a very short period of time. However, traditional cash- and paper-based systems lead to delays and an increased risk of corruption. In addition, many poorer households and MSMEs still lack access to formal financial services. As a result, NGAs and LGUs are exploring alternative means for funds to reach beneficiaries in a more timely, efficient, and transparent manner. Digital financial services (DFS) offer one way by which funds can be disbursed faster, more securely and with greater transparency, and can also enable previously unbanked or underbanked households and MSMEs to benefit from access to DFS.</p> <p>The large-scale cash transfer and MSME support programs being implemented as part of the COVID-19 response offer an opportunity to test and potentially scale up the use and application of DFS in government and also promote greater financial inclusion among poorer households and MSMEs. For example, at the national level, the Department of Social Welfare and Development (DSWD) is implementing a Php 270 billion (US\$5.3 billion) Social Amelioration Program that provides up to Php 5,000-8,000 (US\$100-150) per month for two months to 18 million identified families. At the local level, many LGUs are establishing their own cash transfer programs to provide supplementary support to those not covered by DSWD's program. For example, in Pasig City, the administration has committed to providing additional relief payments to 167,000 families.</p> <p>The ADEPT Project will test the core components of an end-to-end digital solution for household cash transfers that can be offered to a range of NGAs and LGUs that are interested in using DFS in both rural and urban contexts.</p>		

¹ UNDP CO Template for project Annual Progress Reporting; Updated: September 2018.

Deadlines: Draft APR due November 30th and Final APR due January 6th of the following year.

Target Group	The most marginalized, vulnerable and at-risk people and citizen groups including those badly affected by the impact of COVID-19 focusing on vulnerable communities including women, lesbian, gay, bisexual, transgender, and queer (LGBTQ) and Persons with Disabilities (PWDs)
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B. INDICATIVE/EMERGING RESULTS OF THE PROJECT and LESSONS LEARNED

B.1 CPD Outcome alignment	1: The most marginalized, vulnerable, and at-risk people and groups benefit from inclusive and quality services and live in a supportive environment wherein their nutrition, food security, and health are ensured/protected.
B.2 CPD Output indicator alignment <i>[Choose between 1-3 applicable indicators]</i>	<i>1.1.3 Number of people accessing essential public services with UNDP assistance [IRRF 1.1.2.1]</i> Choose an item. Choose an item.
<p><i>1.1.3 1.1.3 Number of people accessing essential public services with UNDP assistance [IRRF 1.1.2.1]</i> Click here to enter text.</p> <ul style="list-style-type: none"> • 763 individuals trained on Financial Mobile Money Literacy (FMML) <ul style="list-style-type: none"> ➤ 506 female and 257 male beneficiaries; ➤ 227 Senior Citizens ➤ 5 PWDs ➤ 55 IPs • 404 out of 400 (101%) beneficiaries; 397 out of 400 beneficiaries (99.25) registered and paid, 7 beneficiaries received SSAP through direct cash pay-out <ul style="list-style-type: none"> ➤ 246 female and 158 male beneficiaries. ➤ 82 Senior Citizens ➤ 2 PWDs ➤ 2 IPs <p>Click here to enter text.</p>	
B.3 SP Output Alignment	<p><i>Indicate other applicable SP output indicators outside the CPD. See [link] for full list of indicators.</i></p> <p>2.2.1 Use of digital technologies and big data enabled for improved public services and other government functions Number of countries using frameworks that leverage digital technologies and big data for:</p> <ul style="list-style-type: none"> a) Delivery and monitoring of services; b) Public engagement; c) Access to and protection of information; d) Legal identity and civil registration;

- | | |
|--|---|
| | e) Urban development using smart technologies; and
f) Other critical public services (e.g. public procurement) |
|--|---|

B.4 Lessons learned and ways forward

Guidance: Mention the key lessons learned during the implementation of the project during the year, and how these lessons will guide us in the future. Please mention any “best” practices which UNDP should be aware of. Please be specific and focus on the year’s performance. [2,000 characters max.]

Lessons Learned

1. The repurposing of DevLive+ tool for data collection has significantly improved the process by reducing time investment as well as margin for error due to automation of naming convention as well as portal upload. However, without direct synchronization with the MMO’s data portal, opportunities for data gaps and discrepancies will continue to emerge.
2. It was revealed that information mismatch tends to result from beneficiaries uploading their own information on the app, most typical for those who have existing but not fully verified accounts. While internal processes served to duplicate integrity checks, it did not only add additional steps and therefore time, but also ultimately did little to mitigate errors from MMO’s final validation checks due to the nuances of beneficiary circumstances. Beneficiary follow-up for data verification also proved to be especially time consuming, on top of having to repeat other processes. This underscores the opportunity of the CO to engage on instituting a national ID system to ensure that appropriate mechanisms can be instituted for integrity, adaptability, data empowerment and ownership, especially among the vulnerable.
3. Capacity for beneficiary validation: LGU capacity to undertake validation of beneficiaries was limited. Use of volunteers and combined with Technology has led to enhanced progress. This however was not sustainable and replicable in other setting. Hence, such significant step in the project process should be well designed and resourced including through collaboration with CSOs.
4. Existing internal processes would need to be revisited should UNDP wish to position itself as an effective pass-through entity for efficient cash transfers. Apart from convening key project proponents to align and understand how integrity checks can be streamlined, it should also develop a robust capacity and readiness assessment in the area, and explore ways of expanding access to the digital wallet portal in order to tighten feedback loops and have dedicated capacity who can manage the initiative at scale.
5. While the FMML provided a good start, more needs to be done in developing new and consolidating existing modules. UNDP may provide more in-depth financial and mobile money financial literacy training to a bigger audience which can be broadened to include more financial concepts that can be used to prepare residents for emergencies, sicknesses, education and small business's needs.

Recommendations from IDInsight, Third Party Evaluator:

1. To address challenges in the enrollment and registration process, it is recommended that changing ownership of the wallet from UNDP to LGU, streamlining the data collection process, providing the LGU real-time access to the GCash portal, and clearly communicating with beneficiaries about the steps in the registration process.
2. To address delays in the disbursement process, it is recommended that ensuring timely replenishment of funds, increasing limits to the balance of the disbursing wallet, considering conducting partial KYC instead of a full KYC, and disbursing with single entry instead of batch entry as needed. Another key recommendation is to send timely notifications to beneficiaries to improve awareness of the disbursements.
3. To improve the user experience of mobile money, the following can be considered: informing beneficiaries of mobile money features, reducing costs and barriers to cashing out, and strengthening the ecosystem by encouraging more merchants to accept GCash.
4. To improve the effectiveness of FMML training, the following can be considered: incorporating more practical guidance on how to use GCash, cover crisis-relevant financial literacy topics, and using mediums that maximize audience engagement and information retention, such as using visual aids.

In addition to specific recommendations for each component of the project, the following overarching recommendations can be considering in scaling up the ADEPT project:

1. Reassess if the intermediary model should be discontinued or is worthwhile to pursue in other contexts.
2. Segment beneficiaries and provide more targeted support to those who have difficulty registering.
3. Reconsider requirements for account ownership and full verification to avoid delays due to KYC.
4. Calibrate the approach and offering based on the location, particularly in more rural areas where the mobile money and banking ecosystem may be weaker.
5. Strengthen data analysis and determine the causal effect of the DFS model using an impact evaluation.

ADEPT process review

A process review between UNDP, LGU and MMO was conducted to outline the whole process, surface issues, and inform ways forward. Specific details and outcomes of these discussions and reflections on UNDP's internal process assessment are captured in the Annex (Results of the ADEPT Process Diagnostic).

Key findings of the Process Review include:

Should UNDP find itself in a position where the government seeks support for it to serve as a pass-through entity, the following considerations must inform the decision to undertake such an opportunity, complementing these with below measures that would need to be undertaken:

- Institute a readiness assessment of government partners' infrastructure and capacity to better understand resource requirements vis-a-vis prospects for effectiveness and efficiency
- Expand its internal capacity in terms of wallet pre-payment threshold and access – current ICF stipulate that only DRR, Operations Manager and a Finance Analyst can do so. Cost implications, in terms of actual amount and opportunity costs, would need to be factored in when bringing dedicated capacity to support in maintenance of beneficiaries' data integrity in real-time.
- Work with LGUs to establish their own wallet. Implement a robust process for turnover to government counterparts once project is ready to scale, which includes alignment on indicators and timelines for when this will commence, capacity building requirements, transfer of appropriate documentation, and support to facilitate the establishment of government partner's own wallet to tighten the feedback loop between government partner's data verification efforts and having these reflected on the dashboard. This would eliminate the need for them to have UNDP update beneficiary information on their behalf, minimizing certification requirements which adds time and steps to the process, while harnessing accountability for data integrity.

UNDP can also harness increased ownership of LGU and MMO in the KYC validation and enrolment process through:

- Convene project proponents and key institutions prior to implementation to align on process, mandates, and compliance requirements with a view of streamlining various components and steps
- Synchronization of registration process with the MMO's data entry portal is currently not possible given limited access to the portal. Likewise, there needs to increased involvement from the MMO during registration for trouble shooting and quality assurance. While the selection of MMOs through competitive process (including negotiation and agreement on terms and sharing of information/data) can address this, HQ can extend various process improvements and modifications to facilitate efficient transfer of cash and management of such agreements, especially in a crisis setting.
- LGU capacity building in beneficiary data collection/registration and knowledge management early in the process to foster ownership and streamline with their own beneficiary validation measures. There are also strategic opportunities to align such data collection efforts with LGU's own census needs, as well as understand how mobile wallet data can be helpful in determining beneficiaries' savings and spending behaviors for the administration's own planning and programming efforts.

UNDP should also identify and work with strategic local partners capable of supporting implementation and providing insights on how services can better cater to the needs of marginalized groups. Although the engagement with a community based CSO was a good start, there is potential to scale this further through micro-financing institutes, who would have the combined technical expertise and grassroots experience.

C. TECHNICAL ACCOMPLISHMENTS

- *Evidence-based reporting – include relevant reports/publications and/or photo-documentation (description, date, location) as an annex.*
- *Quarterly financial performance is reported in the FACE Form. Please ensure consistency of technical accomplishments with the submitted Quarter FACE form and the AWP.*
- *Interim annual financial performance data is reported in the APR.*

EXPECTED OUTPUTS**Output 1. Beneficiaries registered for mobile wallet accounts and trained****OUTPUT NARRATIVE**

Assistance for identified at-risk beneficiaries including women, LGBTQ and PWDs started with the mandatory financial and mobile money literacy (FMML) training, which took place immediately before the registration and application for mobile money accounts. This component involved adjusting existing FMML training materials and approaches to ensure effective communication to beneficiaries of key learning outcomes, including the benefits of having formal (and ideally interest-bearing) savings, understanding options for using digital money without having to cash out, understanding how to use a mobile phone to manage financial accounts and other services, and understanding the value of developing a financial footprint for improving personal creditworthiness. This component started with the training of trainers for the FMML training. The quality of these trainings were verified by the quality assurance staff. The intention was to deliver the FMML training online; however, due to the extremely short implementation period of the initial phase of the project, trainings were conducted face-to-face, while ensuring all physical distancing norms were being met and all project participants were provided access to adequate personal protective equipment. Training of trainers also included module on COVID-19 infection prevention and control (IPC) training.

Guidance: Highlight results achieved from outputs below. If the result for output indicators are not met /achieved, please explain the probable reasons behind this result. [1,500 characters]

Project Output Indicator/s ²	Baseline		ANNUAL Result ³	Annual Target (Annual)	Cumulative Result (from Start Year)	Cumulative Target (from Start Year)	End-of-Project Target	
	2020	0	716	400	716	400	400	
1.1 Number of beneficiaries trained on financial and mobile money literacy	2020	0	716	400	716	400	400	
1.2 Proportion of FMML trainees that rated the training as “satisfactory” or “highly satisfactory”	2020	0	80%	100%	80%	100%	100%	
1.3 Percentage of participating beneficiaries that have opened mobile money accounts	2020	0	99 % (397/400)	100 %	99 % (397/400)	100 %	100 %	
	Physical Performance			Financial Performance				
Activity/Sub-Activity Description	Activity Target ⁴	Accomplishment for the Year	Status of Activity ⁵	Planned Budget	Donor and Budget Code	Expenditure Expense + commitment + advances	Delivery Rate (cumulative expenditure/ planned budget) *100	REMARKS
Planned Activity 1.1 Design and conduct financial & mobile money	400	716		24,000.00	71300	23,846.14	99.35%	<ul style="list-style-type: none"> Explain if expenditure and budget deviation exceeds 10% Mention bottlenecks and plans to address them Explain why activity indicator targets were not met <p>This activity covered the procurement of Individual Consultants for the FMML training:</p>

² Please ensure consistency with ProDoc and AWP indicators.

literacy trainings for beneficiaries, incl. oversight, and health & safety protocols								<ol style="list-style-type: none"> 1. Senior Trainer to develop content of FMML pamphlet and conduct FMML orientation to beneficiaries 2. Lay-out artists to produce and print the comic pamphlet for distribution to the beneficiaries <p>Trainings for validators and health and safety protocols were done online</p>
Planned Activity 1.2 Training of validators and providing tablets and personal protective equipment				7,000.00	72300	6,754.39	96.49%	<p>Procurement and distribution of PPEs to UNDP and LGU validators as well as to beneficiaries who participated in on-site FMML training and KYC data collection.</p> <p>Also, the Project facilitated payment for post-activity COVID testing of 9 UNDP staff who volunteered during the field work.</p> <p>Finally, instead of procuring tablets, the Project borrowed tablets from another UNDP project.</p>
Planned Activity 1.3 Materials & food & transport for 400 beneficiaries	400	716						Included procurement of 400 cash cards for distribution to the beneficiaries and meals during onsite validation and FMML trainings.
Planned Activity 1.4 Cost of trainers (wages + food + transport)				4,500.00	75700	4,414.11	98.09%	<p>Included transportation cost for the UNDP staff. Due to lockdown, curfew, and non-availability of public transportation, there was a need to transport UNDP volunteers from their residence to the actual sites.</p> <p>Due to restrictions in convening crowds for trainings, junior trainers were no longer procured. The trainings were conducted in batches, facilitated by the Senior Trainer. Also, UNDP volunteers facilitated FMML orientations to beneficiaries for the house-to-house approach.</p>
EXPECTED OUTPUTS								
Output 2. Digital money transfers received and utilized by beneficiaries								
OUTPUT NARRATIVE								
<p>After the beneficiary training and validation/registration has taken place, Pasig City government consolidated this information and send a list of names, phone numbers and payment amounts (not the full KYC data, only elements that are commonly available, and thus allowable under the Data Privacy Act) to UNDP, in order for UNDP to make payments to the validated beneficiaries. UNDP verified the accuracy of beneficiary mobile/account numbers to eliminate duplication of phone numbers and payments. UNDP then processed the disbursements to the mobile accounts of all the beneficiaries listed. Payments were disbursed within 24 hours when the payment order was made. The beneficiaries then receives text messages informing them that the their payment has been received.</p>								

³ Use traffic light to indicate progress vis-à-vis annual output targets in AWP: **Green** (Completed), **Yellow** (Ongoing), **Red** (Delayed/Not started). Data provided can be qualitative or quantitative based on the nature of the output indicator [UNDP PHL CO Data Clean-up Guidelines].

⁴ Specify units, e.g., number of trainings, number of participants, number of representations, etc.

⁵ Use traffic light to indicate progress vis-à-vis timelines assigned for planned activities.

Beneficiaries can use their money digitally in a large number of retail or wholesale outlets who accept mobile money (of particular relevance in the current pandemic, digital money also facilitates remote purchasing and home delivery), or they can make digital payments to others (fee-free if it is to another mobile money account of the same provider).

The project augmented the number of options beneficiaries had on their mobile payments. Contrarily to the current options offered to most beneficiaries, the mobile wallets opened for the participants were transactional, meaning that funds need not be withdrawn within a certain time frame, and those funds could be used in a number of ways. For many beneficiaries, this would be the first opportunity to keep their savings in a safe and formal financial institution, and possibly also earn interest on those savings. The decreased risk of theft, loss or impulse spending would all help those deposits to grow and enhance long-term resilience to external shocks.

Guidance: Highlight results achieved from outputs below. If the result for output indicators are not met /achieved, please explain the probable reasons behind this result. [1,500 characters]

Project Output Indicator/s ⁶	Baseline		ANNUAL Result ⁷	Annual Target (Annual)	Cumulative Result (from Start Year)	Cumulative Target (from Start Year)	End-of-Project Target	
	May 2020	0	397	400	397	400	400	
2.1 Number of beneficiaries who receive government payments through this project's digitally-enabled procedure	May 2020	0	397	400	397	400	400	
2.2 Percentage of beneficiaries who report being "satisfied" or "very satisfied" with the options they have for using their mobile money	May 2020	0	95 % ⁸	100 %	95% ⁹	100 %	100 %	
	Physical Performance			Financial Performance				
Activity/Sub-Activity Description	Activity Target ¹⁰	Accomplishment for the Year	Status of Activity ¹¹	Planned Budget	Donor and Budget Code	Expenditure Expense + commitment + advances	Delivery Rate (cumulative expenditure/	REMARKS
								<ul style="list-style-type: none"> • Explain if expenditure and budget deviation exceeds 10% • Mention bottlenecks and plans to address them • Explain why activity indicator targets were not met

⁶ Please ensure consistency with ProDoc and AWP indicators.

⁷ Use traffic light to indicate progress vis-à-vis annual output targets in AWP: **Green** (Completed), **Yellow** (Ongoing), **Red** (Delayed/Not started). Data provided can be qualitative or quantitative based on the nature of the output indicator [UNDP PHL CO Data Clean-up Guidelines].

⁸

Based on ADEPT Evaluation report: Most survey respondents (95%) would recommend opening a GCash account to friends, neighbors or family members. When given a choice, 8 out of 10 beneficiaries preferred receiving SSAP through GCash compared to cash, while a smaller share preferred cash (11%) or were indifferent between the two (8%) (See **Error! Reference source not found.**). Relatively wealthier beneficiaries were more likely to prefer GCash. A higher proportion of the wealthiest quartile preferred GCash compared to the poorest quartile. The poorest quartile tended to prefer cash instead.

⁹ Based on ADEPT Evaluation report: Most survey respondents (95%) would recommend opening a GCash account to friends, neighbors or family members. When given a choice, 8 out of 10 beneficiaries preferred receiving SSAP through GCash compared to cash, while a smaller share preferred cash (11%) or were indifferent between the two (8%) (See **Error! Reference source not found.**). Relatively wealthier beneficiaries were more likely to prefer GCash. A higher proportion of the wealthiest quartile preferred GCash compared to the poorest quartile. The poorest quartile tended to prefer cash instead.

¹⁰ Specify units, e.g., number of trainings, number of participants, number of representations, etc.

¹¹ Use traffic light to indicate progress vis-à-vis timelines assigned for planned activities.

							<i>planned budget) *100</i>	
Planned Activity 2.1 Pasig City funds to be transferred to beneficiaries via UNDP (400 beneficiaries, at 8,000 PHP each)	400	404		63,631.01	72100	63,631.01	100%	
Planned Activity 2.2 Participation Incentive (400 beneficiaries at 1,000.00 each)	400	404		8,003.16	71200	8,003.16	100%	Noting that cash transfer through digital financial services is relatively a new concept, UNDP made a decision to provide cash incentive to those who will be willing to receive their Supplemental Social Amelioration Program support via mobile money instead of cash payment.
Planned Activity 2.3 UNDP oversight of payments and trainings, and ensuring adequacy of grievance redress system – staff time		22 received grievances addressed in May 2020		10,000.00	64300	4,597.00	45.97%	Given the need to immediately implement the Pilot, the Project no longer hired a dedicated finance staff to oversee payments and a grievance officer to develop and manage a grievance redress system. Instead, the Project, mobilized its current pool of staff from the CO to oversee these tasks. Specifically, a simple grievance tracker was developed and turned-over to the LGU. The Pasig City Government also has an existing hotline contact number to receive inquiries and grievances. This was also utilized for the ADEPT Pilot Project.

EXPECTED OUTPUTS**Output 3. Scalable digital finance model demonstrated****OUTPUT NARRATIVE**

As an instrument for promoting greater resilience to external shocks, the project aimed to demonstrate the core elements of an end-to-end model which offers an expeditious, effective and efficient means of enabling rapid post-crisis/disaster cash transfers and strengthening financial inclusion. The model was designed to enable replication and scaling up in other contexts, such as in other NGAs, LGUs or for different types of programs.

A rigorous evaluation framework was designed for the project that included quantitative and qualitative analysis that would form the design of the model and ensure that the lessons from the Pasig pilot are fully internalized in any future design. The software systems of MMOs allowed quick and easy reporting on how beneficiaries were using their accounts and their mobile money.

For UNDP, the project would also contribute important additional experience to the small number of cases where the organization has been involved in intermediating between government agencies, private sector mobile money operators, and different groups of beneficiaries in establishing digital money accounts together with FMML training.

Guidance: Highlight results achieved from outputs below. If the result for output indicators are not met /achieved, please explain the probable reasons behind this result. [1,500 characters]

Project Output Indicator/s ¹²				Baseline		ANNUAL Result ¹³	Annual Target (Annual)	Cumulative Result (from Start Year)	Cumulative Target (from Start Year)	End-of-Project Target	
				May 2020	No	Yes	Yes	Start year: May 2020	Start year: May 2020	End year: Oct 2020	
3.1 Report on ADEPT Project's evaluation and lessons learned				May 2020	No	Yes	Yes	Yes	Yes	Yes	
Physical Performance			Financial Performance					REMARKS			
Activity/Sub-Activity Description	Activity Target ¹⁴	Accomplishment for the Year	Status of Activity ¹⁵	Planned Budget	Donor and Budget Code	Expenditure Expense + commitment + advances	Delivery Rate (cumulative expenditure/planned budget) *100				
Planned Activity 3.1 Independent, third-party study of the project – consultant costs	1	1		81,500.00	72100	81,706.00	100.25%	Data collection was completed in August 220. Report has been presented and finalized with UNDP in September/October 2020.			

¹² Please ensure consistency with ProDoc and AWP indicators.

								<p>The study intended to rigorously investigate whether nodes in the ToC are occurring as planned, and test assumptions embedded in the ToC.</p> <p>Identified high priority areas covered the (1) delivery of the FMML training, (2) efficient and transparent disbursements, and (3) beneficiary use of mobile money.</p> <p>Areas identified as low priority includes (1) the validation process, which was specific to Pasig City and less relevant for scaling up, and (2) beneficiaries' financial management.</p>
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¹³ Use traffic light to indicate progress vis-à-vis annual output targets in AWP: **Green** (Completed), **Yellow** (Ongoing), **Red** (Delayed/Not started). Data provided can be qualitative or quantitative based on the nature of the output indicator [UNDP PHL CO Data Clean-up Guidelines].

¹⁴ Specify units, e.g., number of trainings, number of participants, number of representations, etc.

¹⁵ Use traffic light to indicate progress vis-à-vis timelines assigned for planned activities.

EXPECTED OUTPUTS								
Output 4. Project Management								
OUTPUT NARRATIVE								
<i>Guidance: Highlight results achieved from outputs below. If the result for output indicators are not met /achieved, please explain the probable reasons behind this result. [1,500 characters]</i>								
Project Output Indicator/s ¹⁶	Baseline		Annual Result ¹⁷	Annual Target (Annual)	Cumulative Result (from Start Year)	Cumulative Target (from Start Year)	End-of-Project Target	
	2020	100%			Start year: May 2020	Start year: 2020	End year: Oct. 2020	
: Direct Project Costs of UNDP CO related to DFS	2020	100%	data	data	data	data	100%	
Physical Performance			Financial Performance					REMARKS
Activity/Sub-Activity Description	Activity Target ¹⁸	Accomplishment for the Year	Status of Activity ¹⁹	Planned Budget	Donor and Budget Code	Expenditure Expense + commitment + advances	Delivery Rate (cumulative expenditure/ planned budget) *100	
Project Management Staff				34,323.00	71400	28,500.11	83.03%	<ul style="list-style-type: none"> Explain if expenditure and budget deviation exceeds 10% Mention bottlenecks and plans to address them Explain why activity indicator targets were not met <p>Given the need to immediately implement the Pilot, the Project mobilized its current pool of staff and volunteers from fixed- term and service contract holders from different teams in the CO. Add interim PM, and project officer and assistant, CTA, larger CO ADEPT Team. Around 20 volunteers from the CO took part in the fieldwork requirement of the project.</p>

¹⁶ Please ensure consistency with ProDoc and AWP indicators.

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¹⁸ Specify units, e.g., number of trainings, number of participants, number of representations, etc.

¹⁹ Use traffic light to indicate progress vis-à-vis timelines assigned for planned activities.

				33,029.00	71200	24,575.00	74.40%	A developer was also contracted to develop a web-based platform for KYC data collection, which was used during onsite validation. The tool was further enhanced to support the distribution of Supplemental SAP to beneficiaries residing in condominiums by allowing for massive, self-administered submission of KYC enrollment and submission of documentary requirements.
				47,644.84	71300	0.00	0.00%	

D. PARTNERSHIPS

Name of Partner	Type	Description of partnership and how it has contributed to project results or sustainability
1. Pasig City government	LGU	The Pasig City government helped UNDP quickly identify a representative sample of around 400 vulnerable members of the population including women, LGBTQ and PWDs that are eligible for the city's supplement social amelioration payments. UNDP helped Pasig ensure that trainings and registration sessions are done in compliance with national and international infection protection and control standards for COVID19, and that participating beneficiaries (with adequate documentation) can have mobile money accounts opened and digital payments made without any further effort or travel on their part, so that payments can be obtained without any additional risk of contagion.
2. Bangko Sentral ng Pilipinas (BSP)	Govt. financial institution	BSP was supportive of UNDP and Pasig's efforts to increase the use of digital finance for relief payments. BSP is an important repository of materials and best-practice methodologies for financial literacy training, which will be used to optimize this project's approach to knowledge dissemination, and similarly BSP's standards and recommendations will be followed to ensure optimal digital payments, as well as the related accountability and reporting.
3. G-EXCHANGE, Inc./ Mynt	Mobile Money Operators	A cornerstone of this project was the offering of mobile money accounts and services to beneficiaries and the role that the country's two largest MMOs in offering these products. Their systems were already in place and proven, and their reporting capacities contributed important data to the project's monitoring and evaluation system.

Was South-South and Triangular Cooperation promoted and utilized through the project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, briefly explain how. List down countries engaged.	[500 characters]

E. INFORMATION, COMMUNICATION, EDUCATION, AND KNOWLEDGE MANAGEMENT

IEC/Knowledge Product Produced in 2020	Type	Date Published/Produced	Target audience	Link (if available)
Financial Mobile Money Literacy Pamphlet	Pamphlet	June 2020	Beneficiaries	https://www.facebook.com/pg/undp.ph/photos/?tab=album&album_id=3211333705588582&_xts=%5B0%5D=68.ARB6Ts9ikC-sa5kWpbiMC9UNZs60a0993BPazfr1nlgM9VOUd2e2o9phr7TI06lipxyleJlSvLABNmqey18CoHjDxeRg5qZkOprBWIE-ldZ4KYsj9AD_DFjuGCXKc3YhATeLONqLjS0oVdSD6BEI_hpcvdcz2L7suLK7ziWFM71GYEF16UQX4vBK1Wt9wcFBX19CVnhmHS3icVtuZo7TqRO7Bq8k3UxcHI1qCiKnROrSRpzgczTDVEnrDN2eJzG2WluttA0Xk1U19zMiC-QE_ZykxO0mfWmV2aZaqrblw5XEW4ztkdKjmgVa1Y1KSxSP9vFeYWuEso6AJmEwFguSWOJda_QfvVgZ10jpC3nXVdZz2yu196uKer35i3B0mx4_rw_MLWT5kS7BKHONXQzsX46o9BWU_MWcUF366HL6KgaA_COzpi6xOJ41EPOeSO4fcvioeoS9Xv_n0oNhGjEr8mpdS7IP2Qi_wP_x3EdxboqeGrkq2DJ04hfE5Y3dez_2TbFAJTdeGXn2W0mI3XX5Gj0jN-kXP34NXKK7PpsQ&_tn=-UC-R
Project Video	Video	August 2020	General Public	https://www.facebook.com/watch/?v=1671643283012071
Op Ed	Op Ed	20 May 2020	General Public	https://philippines.un.org/en/46567-case-going-cashless

Was the project cited/quoted/featured in media reports/articles?

If yes, please provide link to article/video.

<https://web.facebook.com/watch/?v=913001189163342>

F. ACTIONS TAKEN REGARDING AUDIT AND/OR SPOT CHECK FINDINGS

Describe actions taken to address the findings from the audit/spot check as applicable.

Audit/Spot Check Recommendation/s	Action Taken	Responsible Person	Implementation Date
None to date			<i>Click here to enter date.</i>

G. RISK LOG UPDATE

- Assess identified risks and record new risks that may affect project implementation.
- Include risks identified in the Project's Social and Environmental Screening, if any.

No.	Description	Date Identified	Type	Status	Countermeasures/Management Response (What actions have been taken/will be taken to counter this risk)
1	Only a small proportion of beneficiaries can rapidly open mobile money accounts, due to inadequate ID being available	4/30/2020	Operational	materialized	UNDP worked with MMO(s) and BSP to find a way to use sub-optimal ID (e.g. Barangay Head letter) for opening accounts, which might require an MMO employee to be present at the registration sessions
2	PPE cannot be acquired to ensure the safety of trainers, validators and beneficiaries	4/30/2020	Operational	materialized	In case the LGU cannot procure masks and sanitizing liquid/gel, UNDP provided the items.
3	Beneficiaries refuse to take part as they insist on receiving immediate cash	4/30/2020	Operational	materialized	UNDP ensured that the financial & mobile money literacy training thoroughly addresses the advantages of digital money, and ensured that beneficiaries' concerns were adequately allayed.
4	That feedback forms from beneficiaries and other stakeholders are not completed, or not shared with project management if not complimentary	4/30/2020	Operational	materialized	Project quality assurance staff (i) attended many of the trainings, and collected the forms themselves, and (ii) in instances when they were not able to collect such forms, they called a sample of the beneficiaries to verify the accuracy of the feedback
5	Insufficient LGU staff available, with resources and willingness to visit sufficient beneficiary households to get 600 beneficiaries, of the right profile, to attend training and registration	4/30/2020	Operational	materialized	UNDP ensured, from early on, that there was no need to hire any contractors to assist LGU staff in this task.
6	MMO(s) and LGU not willing or able to ensure rapid training of validators, such that mobile money account applications are adequately completed at the time of registration	4/30/2020	Operational	materialized	UNDP ensured, from early on, that MMO(s) assisted with this training of validators, and that the LGU was supportive of assigning this role to validators.
7	There is a risk that risk that rights-holders do not have the capacity to claim their rights	4/30/2020	Other Social	materialized	Financial literacy training was provided to the beneficiaries. Assistance for beneficiaries including women, LGBTQ and PWDs started with financial and mobile money literacy (FMML) training, which took place immediately before the registration and application for mobile money accounts. This component involved adjusting existing FMML training materials and approaches to ensure effective communication to beneficiaries of key learning outcomes, including the benefits of having formal (and ideally interest-bearing) savings, understanding options for using digital money without having to cash out, understanding how to use a mobile phone to manage financial

					accounts and other services, and understanding the value of developing a financial footprint for improving personal creditworthiness.
8	There is a risk that the project would result in potential increased health risks	4/30/2020	Environmental	materialized	<p>Whenever possible, UNDP and Pasig City LGU implementing staff communicated via internet or telephone, to minimize unnecessary physical contact.</p> <p>When necessary, trainings took place in locations such as covered basketball courts, where airflow was uninhibited by walls, and where it was easy to ensure that there was a distance of at least 2 meters between desks. Training group sizes were planned to be of no more than 20 people, i.e. well below the regulatory limit of 50 people.</p> <p>All trainers and validators underwent training on COVID-19 infection prevention measures and were equipped with personal protective equipment (PPE) such as medical masks and perform proper hand hygiene frequently.</p>
9	Legal or operational issues may arise from undertaking this partnership with mobile money operators.	4/30/2020	Operational	materialized	The authority to open mobile money accounts and to make payments into these accounts on behalf of an NGA or LGU partner were a first, rested in UNDP, corporate-wide. This internal risk to UNDP was managed by the CO, monitored and reported in a lesson learned paper to assess UNDP's experience with mobile money as a means of informing future policy for the organization.

H. MONITORING & EVALUATION

<p>Total Spent on Monitoring in Reporting Year <i>Guidance: Costs associated with UNDP/project staff, consultants, project partners, supporting national statistical systems in designing project specific data collection methodologies (qualitative and quantitative), monitoring methods including stakeholder surveys and other qualitative methods, collection of data, analysis and dissemination of the findings to inform a project, either with project partners or to fulfill specific UNDP/project requirements (preferably the former).</i></p>	1	<p>Total spent on Decentralized Evaluations in Reporting Year (Mid Term / Final) <i>Guidance: Costs associated in designing, implementing and disseminating evaluations for specific projects</i></p>	USD 81,706.00
<p>Is the project's M&E Plan being adequately implemented? Are progress data against indicators in the project's RRF being reported regularly using credible data sources and collected according to the frequency stated in the M&E Plan?</p>			<input checked="" type="checkbox"/> Yes

No**I. QUALITY OF RESULTS***Please answer when applicable to the project of concern.*

<p>Sustainability: <i>Do the benefits of the achieved results have potential to last? What does the project plan to do to ensure sustainability?</i></p>	<p>The mobile wallet currently being managed by UNDP will be eventually transferred to the Pasig City LGU. This will enable them to digitally transfer funds to volunteers in the future.</p> <p>An online application had been developed to support the Pasig City LGU in collecting household information. This would potentially support future social protection payments that the LGU might consider to conduct..</p> <p>.</p>
<p>National Capacity: <i>Did the project help strengthen national institutions?</i></p>	<p>Lessons learned and recommendations from IDInsight will be provided to BSP and DSWD:</p> <p>For the scale up of the ADEPT project, the recommendations are as follows:</p> <ol style="list-style-type: none"> 1) Assess beneficiary profiles and segment them to provide more targeted support. As the program scales up to cover poorer beneficiaries, many of challenges encountered may be amplified. Poorer beneficiaries will need more targeted support as they will likely encounter more difficulty enrolling and registering, cashing out, and learning how to use mobile money features. 2) Calibrate the approach and offering based on the ecosystem. As the program scales up in other geographies, it is important to consider the DFS ecosystem, whether the MM platform used in this pilot or other DFS providers. The provider with the strongest ecosystem in the local communities should be used to encourage beneficiaries' use of the system. The scale up should also consider that the ecosystem in remote areas would likely be even weaker than in Pasig City, i.e. there are fewer ATMs, cash out agents, and merchants accepting digital payments. Strengthening the ecosystem can also encourage the use of DFS, particularly by enlisting more merchants selling basic necessities such as food and groceries. 3) Improve user experience of mobile money by: <ul style="list-style-type: none"> • Reducing barriers to enrollment and verification – Explore solutions that reduce requirements account ownership and full KYC verification before disbursement to avoid delays, particularly for poorer beneficiaries without documentation.

	<ul style="list-style-type: none"> • Reducing costs of cashing out – Distribute cash cards during registration to beneficiaries without access to bank accounts or ATMs to lower cash out fees. Inform beneficiaries the right amount of fees to avoid getting overcharged by informal agents <p>4) Providing additional training and information on how to use mobile money features – In addition to the basic training delivered during the pilot, educate beneficiaries on popular transaction types and features (e.g. load rebates, potential savings). Provide detailed how-to-use guides for mobile money platforms, especially for older beneficiaries. Introduce behavioral interventions to address the knowledge-behavior gap (e.g. SMS or in-app reminders).</p> <p>5) For LGUs / NGAs: Strengthen capacity for digital disbursement of cash transfers. Certain aspects of digital disbursement differ from the physical cash disbursement process, which have implications on LGU and NGA’s resources and compliance. While costs of deploying personnel for physical cash distribution can be reduced, government agencies would need resources for registration, enrollment, and financial literacy training. They would also need to provide additional post-project servicing and grievance redress to respond to issues that beneficiaries encounter.</p>
<p>Civic Engagement: <i>Please select the type of civic engagement promoted [Select all applicable]</i></p>	<p><input type="checkbox"/> Civic engagement in policy and legislative processes</p> <p><input checked="" type="checkbox"/> Civic engagement to promote accountability of state institutions</p> <p><input type="checkbox"/> Civic engagement for service delivery</p> <p><input type="checkbox"/> Civic engagement for advocacy and/or to raise awareness and promote social norm/behaviour change</p>
<p>Youth Opportunities: <i>How did the project support youth in contributing to sustainable human development and peace? [Select all applicable]</i></p>	<p><input type="checkbox"/> Supported youth civic engagement and political participation</p> <p><input type="checkbox"/> Supported youth economic empowerment</p> <p><input type="checkbox"/> Supported youth as agents for community resilience and peacebuilding</p> <p><input type="checkbox"/> Supported the involvement of young people as partners in SDG implementation, monitoring and accountability</p>

J. INNOVATION

Were innovation initiatives implemented in the project?

What innovative methods were applied or tested?	<input type="checkbox"/> Alternative Finance (including Social Impact Investment/Pay for Success) <input type="checkbox"/> Behavioural Insights <input type="checkbox"/> Blockchain <input type="checkbox"/> Challenge Prizes <input type="checkbox"/> Crowdsourcing <input type="checkbox"/> Crowdfunding <input type="checkbox"/> Foresight <input type="checkbox"/> Games for Social Good <input type="checkbox"/> Hackathon <input type="checkbox"/> Human-Centered Design	<input type="checkbox"/> Innovation Camp <input type="checkbox"/> Innovation Lab <input type="checkbox"/> Micronarratives <input checked="" type="checkbox"/> Mobile-Based Feedback Mechanism <input type="checkbox"/> Positive Deviance <input type="checkbox"/> New and Emerging Data (including Big Data) <input type="checkbox"/> Randomized Controlled-Trial/Parallel Testing <input type="checkbox"/> Real-Time Monitoring <input type="checkbox"/> Remote Sensing/Unmanned Aerial Vehicles (UAVs) <input checked="" type="checkbox"/> Other (please specify) Mobile money wallet set-up of UNDP and mobile data collection
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K. MAINSTREAMING GENDER EQUALITY

Incorporation of gender perspectives in various outputs and activities by giving emphasis on gender-sensitive concerns especially in leadership roles, decision-making processes, capacity-building and protection of women, including the children and elderly

UNDP Gender Marker [link]	GEN2
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1. Classification of Gender responsiveness²⁰

Classification of gender-responsiveness: Project Implementation, Management, Monitoring and Evaluation (PIMME) Score is 12.66, therefore B – Gender Sensitive	A: Project is gender-responsive (15.0-20.0)
	B: Project is gender-sensitive (8.0-14.9)
	C: Project has promising GAD prospects (4.0-7.9)
	D: Gender and development (GAD) is invisible in the proposed project (0-3.9)

2. Qualitative description

- Women were very much engaged in the project management process. When the ADEPT project was being conceptualized and developed, the ideas, comments and perspectives of various UNDP management and teams were sought, were represented by women officers and staff.
- Collaboration of the ADEPT project with the office of the LCE, LGU Pasig City was generally coordinated and coursed through the executive assistant of the LCE and her team.
- Vital and regular communication between LCE LGU Pasig City and UNDP Mgt. on the ADEPT project management were spearheaded by women representatives.

²⁰ Scoring based on Box 16 and 17 of the Harmonized Gender and Development Guidelines on Project Development, Implementation, Monitoring, and Evaluation, 2nd ed. (download [here](#)).

- Implementation phase - women volunteers from the LGU Pasig City actively participated in the process.
 - UNDP volunteer staff were led by 2 project focal in the over-all coordination with the office of the LCE
 - Barangay field workers assisted the UNDP Adept team in reaching out to beneficiaries during house to house fieldwork
 - Women volunteers and staff, mobilized by the office of the LCE assisted in the registration of beneficiaries
 - Staff from departments of the Pasig City LGU participated in the training conducted by the FMML trainor and the DevLive team.

3. Gender issues

No	Gender issues identified	How the project is addressing identified gender issues
1		
2		

4. Disaggregation of data of Beneficiaries/Participants of Activities conducted under the Project

Project Activities	Number of beneficiaries/participants	Gender disaggregation	Remarks (if any)
Orientation of Financial Mobile Money Literacy (FMML)	763 beneficiaries	<ul style="list-style-type: none"> ➤ 506 female and 257 male beneficiaries; ➤ 227 Senior Citizens ➤ 5 PWDs ➤ 55 IPs 	
397 registered with GCash and paid their respective supplemental SAP 7 beneficiaries received their SSAP through direct cash pau-out	404 beneficiaries	<ul style="list-style-type: none"> ➤ 246 female and 158 male beneficiaries. ➤ 82 Senior Citizens ➤ 2 PWDs ➤ 2 IPs 	

Prepared by: **Villamor Marquez**
Project Analyst
ADEPT Pasig Project

Signature: _____

Date: 09-Dec-2020

Noted by: **Maria Luisa Isabel Jolongbayan**
Team Leader
Institutions and Partnerships Programme Team

Signature: _____

Date: 09-Dec-2020

ANNEX: Internal Processes and Lessons Learned

Adaptable Digitally Enabled Post-Crisis Transformation (ADEPT) Project
Report of the Diagnostics Results
25 August 2020

Objective/s:

- Provide highlights of results achieved
- Align stakeholders on the processes of validation, registration, and disbursement Surface questions on the process to clarify
- Surface various factors and scenarios that affect the process
- Identify areas of concern for further discussion and resolution

Process Flow Output:

<https://app.mural.co/t/alabph0505/m/undpco6848/1594186185175/251db1b629b6633e6cb3c25b6282da5a99c501b0>

Methodology of the Diagnostic:

- Pre-work entailed one-on-one consultations to populate the process flow
- Online validation workshop allowed each process owner to present and validate the actual steps undertaken, and for other participants to raise clarifications
- Discussion of bottlenecks, duplications, and recommendations
- Next steps:
 - Identification of time frame for each step/phase
 - Comparison of actual against the ideal process
 - In-depth discussion of major bottlenecks to determine root cause and dissect unique cases that caused significant delays
 - Identification of steps that are/can be automated and how
 - Plotting of context-specific factors (e.g. capacity, compliance measures)

Scope: From beneficiary identification to cash disbursement

- LGU volunteers and Community-based pilot (e.g. Manggahan)
- Participants include representatives from the City Government of Pasig, MMO (GcCash), UNDP Project and Finance Teams

General Findings:

- A total of *42 Steps across stakeholders (e.g. LGU, beneficiaries, UNDP, GCash)
- A total of 9 are checks are in place across stakeholders (2 LGU, 4 UNDP, 3 GCash)

ADEPT Process	Internal UNDP processes	Lessons learned/ Recommendations
Beneficiary Identification and Registration	Total of 2 checks at the Project level: <ul style="list-style-type: none"> • First level of checks and controls during collection of the full Know Your Client (KYC) information (16-data points) of beneficiaries. This includes verification of data/documents (certified eligible by LGU for enrollment, existing GCash account, validity of IDs and consistency of information), verification of mobile numbers, completeness of KYC data/information • Second level of checks and controls includes checking the completeness of LGU endorsement (4 files: LGU certification, docusigned pdf files, encrypted batch registration file, encrypted payment request file), and data quality assurance of the consolidated list (formatting and labelling of photos, checking for duplicates, completeness and consistency of information with ID) 	<ul style="list-style-type: none"> • Increased MMO role in registration for full KYC validation • Support for National ID system efforts

ADEPT Process	Internal UNDP processes	Lessons learned/ Recommendations
Beneficiary data validation and enrollment to GCASH	<ul style="list-style-type: none"> • UNDP Finance performs final due diligence according to own ICF and format (eg. duplications, characters, etc.) • Enrollment is approved/rejected P (2 levels of approval) • UNDP cannot make changes/modification to the list (e.g., characters, misspelling, formatting). List is returned to LGU for any correction • UNDP Finance provides KYC status to Project for appropriate action (approved versus rejected) • Project communicates findings for rejected beneficiaries to LGU for resolution 	<ul style="list-style-type: none"> • Such validation process takes significant time and human resources in particular a dedicated Finance staff/manpower is needed.
Disbursement	<ul style="list-style-type: none"> • Project facilitates and coordinates with the LGU preparation of payment request (original payment request should be revised to reflect only successfully registered beneficiaries) • Project reviews payment request submitted by LGU • UNDP Finance performs final check and uploads payment request in the portal • Payment is approved (2 levels of approval) 	<ul style="list-style-type: none"> • LGU creates its own wallet;
Wallet Pre-funding	<ul style="list-style-type: none"> • Project submits liquidation report • Projects sends request to replenish wallet 	<ul style="list-style-type: none"> • Increased pre-payment threshold • If UNDP to implement this project on larger scale, the pre-payment modality of our systems is not efficient. Ad hoc pre-payment threshold level could be considered to replenish UNDP wallet.

Guide Question

1. What was the expected result, targets, and underlying assumptions?

Expected Results

- The outcome of the ADEPT project is enhanced financial sustainability and resilience to external shocks of households who were previously unbanked or underbanked.

The project will support three outputs:

- Output 1: Beneficiaries registered for mobile wallet accounts and trained
- Output 2: Digital money transfers received and utilized by beneficiaries
- Output 3: Scalable digital finance model demonstrated

Assumptions

- Beneficiaries have access to mobile phones with network
- Beneficiaries can transact on their accounts
- Beneficiaries can internalize and apply knowledge and awareness about financial and mobile money literacy
- Agreements with MMOs signed
- KYC requirements are met
- MMO system functions as intended
- Evaluation provides necessary data
- Lessons learned inform co-design of scalable model
- UNDP can deliver the project in a very short timeframe
- Pasig City can provide critical inputs (staffing, facilities) to support project implementation

2. What results have been achieved to date?

Output	Indicators	Data Source	Target	Accomplishment
Output 1: Beneficiaries registered for mobile wallet accounts and trained	Financial and mobile money literacy training materials and methodology ready and beneficiaries	UNDP report / trainee feedback	400	716
	High proportion of Financial and Mobile Money Literacy (FMML) trainees rate training as satisfactory or highly satisfactory	Trainee feedback forms	70%	80%
	Participating beneficiaries have opened mobile money accounts	MMO reports; polling of beneficiaries	400	391
Output 2: Digital money transfers received and utilized by beneficiaries	Number of sex-disaggregated beneficiaries who receive government payments through this project's digitally enabled procedure	MMO reports; polling of beneficiaries	400	384 (7 paid thru cash)
	Average no. of fewer minutes required for beneficiaries to receive their payments, compared to before the project	Polling of beneficiaries	60	Ongoing survey by M&E Firm
	Percentage of sex-disaggregated beneficiaries who report being satisfied or very satisfied with the options they have for using their mobile money	Polling of beneficiaries	67	Ongoing survey by M&E Firm
Output 3: Scalable digital finance model demonstrated	ADEPT project assessment report is completed, including detailed analysis of actual results compared to targets, difficulties encountered for the main ADEPT components (1 report)	Third party evaluation	1	Ongoing - preliminary findings submitted.

Highlights of the preliminary findings of the independent evaluation²¹:

- **Prior to the ADEPT program, a third of respondents already used GCash.** Only 6% have used PayMaya, 1.5% used other mobile money services, and the majority (62%) have not used mobile money services in the past. For those who did not have existing GCash accounts, the ADEPT program helped beneficiaries register (i.e. open an account) with GCash. About a third of respondents (32%) said that they registered through ADEPT, while the rest reported that they opened an account themselves, either independently or with the help of someone else.
- Most respondents (95%) would recommend opening a GCash account to friends, neighbors or family members. When given a choice, 8 out of 10 beneficiaries preferred receiving SSAP through GCash compared to cash, while a smaller share preferred cash (11%) or were indifferent between the two (8%). It is important to note that GCash usage seemed to vary by poverty status. A higher proportion of the poorest quartile cashed out any amount (82%) compared to the richest quartile (67%). Very few (6%) in the poorest quartile used 2 or more GCash functions.
- Almost all respondents correctly reported that they received disbursements in their GCash accounts by the time of the survey,⁷ except for one respondent that reported that s/he has not received her/his SSAP.⁸
- Around 7 out of 10 knew about their disbursements within a week of the actual disbursement. The others either did not know immediately or may have recalled incorrectly.

²¹ [ADEPT Preliminary Findings](#)

- Additionally, almost all (98%) correctly recalled they received PHP 9000, while a small share (2%) recalled PHP 8000.
- Seven in ten (10) respondents cashed out a portion or the whole amount of their SSAP. Among those who did, the majority cashed out within 2 days. Their most common uses of SSAP were to purchase food and pay utility bills.
- Efficiency and convenience of cashing out seemed to vary by cash out location. Informal cash-out points were associated with longer reported wait-times. Informal cash-out points, pawnshops and stores also incurred higher cash-out fees, compared to ATMs and other locations.
- Respondents incurred fees to cash out their SSAP, including direct cash-out fees and travel costs. Almost half of respondents (46%) paid cash out fees on their first cash outs. On average, their first cash-out fees were PHP 131.
- Variability in cash out fees by location might disproportionately affect poorer beneficiaries. A greater proportion of richer respondents (the top quartile) tended to withdraw in ATMs through bank accounts than poorer respondents (the bottom quartile) who used informal cash out outlets. As withdrawing in ATMs through bank accounts incurred a relatively low and flat fee compared to informal locations, pawnshops and stores, the richer respondents needed to pay less for cashing out.

3. By looking at the SOPs and the waiver, what has worked well and how have they enabled the results?

The waiver granted to the Country Office (CO) helped enter a contract with one Mobile Money Operators (MMO) without a **public procurement process**. The legal aspect notwithstanding, this helped shorten the timeline/s for engagement and provide a structure around the pilot with payments authorized up to \$100,000. It enabled the project to align with the city government's timelines for emergency COVID-19 amelioration disbursement, and preference to avail of the contractor's services based on the provider's ability to cater to city government's understanding of their constituents' context (i.e. low usage of smartphones and contractor's ability to operate mobile wallets via USSD, as opposed to other options currently available in the market).

The Standard Operating Procedure (SOP) placed by the CO clearly articulates all actions required, whether on ATLAS, or the MMO platform. It enables the reader and reviewer (in this case colleagues from Bureau of Management Services (BMS) / Treasury) to get a complete workflow from, funding the wallet, registration of beneficiaries, payment creation, payment disbursement and wallet management (funding and recovering, if need be).

Further, the SOP aligns the traditional payment request and approval process of UNDP with the use of digital wallets, especially in terms of process flow, segregation of duties, risk mitigations, and alignment with Internal Control Framework (ICF).

4. By looking at the SOPs and the waiver, how can they further be amended to support achieve project results?

Using banking services for effecting digital payments remains the ideal modality for UNDP to effect digital payments, however, the CO pursued the procurement route due to paucity of time to respond to an urgent need of the COVID relief payments for the city of PASIG. The UNDP Bank, SCB, at the time was not able to support the payments via digital wallets.

The payment networks used by mobile money operators, and the banks in Philippines are not aligned, multiple networks and not all banks/MMOs are available on all payment networks. SCB is not on the same payment network as the MMO's and cannot effect payments from UNDP bank account directly to the beneficiaries digital wallet.

Moving forward, for any at-scale project, in addition to detailed deliberation on project costs and budgets a banking-based solution should be explored, either with the existing bank (SCB) or another banking service provider, via a public process, in conjunction with BMS/Treasury.

Additionally, the UNDP ERP lacks the ability to disburse digital payments, interfacing with mobile money or mobile operators. Efforts are underway by BMS/Treasury to make changes/upgrades to ATLAS, however a timeline for this is not yet known. Availability of these features should be a crucial consideration to any future endeavors.

Entering into a contract with the MMO adds certain additional dimensions, legal, KYC considerations and contract management. A legal contract was entered into with some additional clauses, mainly on warranty and limitation

of liability, however the standard UNDP general terms and conditions of the contract does not address the nature of services being provided by MMOs under the current arrangement. The template is also not clear on applicability of these conditions on the MMO relationship with beneficiaries or recipient of the funds.

The ownership of KYC information and the extent of implications of local data privacy laws also remains unresolved.

Pre-payment threshold

The wallet limit that has been granted hinders doing disbursement at scale. Rules also stipulate that prepayment should always be 20% of contract amount or \$30,000/00 whichever is lower. This poses a limit on the wallet's capacity to disburse at any given time, especially when mass enrollment is undertaken by the project team. There is also difficulty in synchronizing replenishment of funds in the wallet with beneficiary expectations (e.g. how come this person I registered with on the same day has already received their funds). To this point increasing the wallet limit and threshold for pre-payment (i.e. ability to replenish after every batch payment, even if available funds are not yet at 20%/\$30000.00) is crucial.

5. By looking outside UNDP's internal processes, what assumptions have changed/surprised the team during implementation?

Trade - off between basic and full enrollment

One of the earlier trade-offs the team was confronted with was whether to do basic or full enrollment of the beneficiaries. Although full KYC information was already collected at the onset, the first batch was enrolled for basic accounts given less probability for data errors in enrollment and therefore faster disbursements. This posed challenges on beneficiaries however who i) would only have limited digital transactions (e.g. buy cellphone credit and send funds to another user) and ii) had trouble cashing out due to outlets refusing to process due to their Basic accounts, despite MMO advice to UNDP/LGU that it should be sufficient. This would also entail additional certification requirements from the LGU to action enrollment to full accounts. The CO then proceeded to enroll beneficiaries for the fully verified account at once which has then surfaced validation errors, even amid numerous integrity checks in place, which entail follow up with beneficiaries for data verification and therefore delays in disbursement.

Viability of MMO options from a market sourcing perspective

UNDP was considering the two available MMO options in the country. However maturity of the technology for each render different service offers, neither of which can accommodate the terms needed for beneficiary accessibility, nor are they necessarily parallel with each other's e.g. while one can disburse to a cellphone number which can be cashed out in sari-sari stores, use of mobile wallet requires beneficiaries to have a smart phone. Drawing from this, the LGU has preferred the other provider.

Despite rigorous negotiations to bring the preferred MMO on board, they were still not able to deliver on crucial onboarding support during registration sessions (i.e. physical representation) due to COVID-19 restrictions. On several occasions they were also issues of cascading information to their Money-in-Money-out outlets, where MIMOs would not disburse to beneficiaries despite compliance with what the MMO has communicated to UNDP, and henceforth to the local government unit and beneficiaries. These discrepancies have not only delayed the disbursement process but has also required additional time and transport cost for beneficiaries to avail of their amelioration payments. Nonetheless, nuances and circumstances of low-income households that have been surfaced can serve as a reference for MMOs to better tailor their business models, processes, services, and communications in order to best cater to this group's practical needs (e.g. incentives/rebates, remittances, enrollment of cooperatives/microfinance institutions for contributions, QR code maintenance fees for MSMEs/tricycle drivers/informal workers, etc.).

Beneficiary data validation

Although the LGU provided significant capacity during beneficiary identification/registration going house to house, there was no dedicated staff for KYC validation until later in the process, which is indicative of capacity constraints, but also potentially limited ownership of the enrollment process, perhaps due to the wallet being under the auspices of UNDP. Even then, the LGU's own compliance requirements necessitate that they undertake a rigorous manual review of each beneficiary entry, which is a time-consuming process amid their time constraints, but also which does not absolutely filter out further data errors downstream with the MMO's final validation process.

Mismatches in information tend to unfold as a result of beneficiaries uploading their own information on the app, most typical for those who have existing but not fully verified accounts, whether due to:

- i. incomplete information of what they have added/different formats, as opposed to the full address our KYC registration team has collected in keeping with QA and naming conventions
- ii. natural change of life circumstances (e.g. change of residence from what was registered)

While the current process has a lot of validation mechanisms in place to detect duplications that has surfaced above scenarios, this surfaces the need to understand how we can support data integrity and consistency efforts right at the very start of the process. This also further underscores the opportunity of the CO to engage on instituting a national ID system to ensure that appropriate mechanisms can be instituted for integrity, adaptability, data empowerment and ownership, especially among the vulnerable.

Despite the above challenge, according to preliminary findings of an independent evaluation, most beneficiaries (about 7 in 10) opened and verified their accounts without encountering challenges. However, several encountered difficulties: they generally found the process difficult (6.6%), lacked ID documents (6.5%), faced other ID issues (5.7%), encountered other technical issues (such as with their numbers, 5 accounts, and having poor internet or network signal) (5.7%), and/or waited very long (5.6%). In addition, the report further indicated that poorer respondents tended to face verification challenges compared to their less-poor counterparts

6. How was the FMML Training received by beneficiaries?

ADEPT approach towards financial inclusion agenda included provision of financial and mobile money literacy training (FMML). For the pilot phase, it was done by way of an orientations limited to 20 minutes only with 20 participants each time, to strictly comply with social distancing measures. The methodologies used for these orientations involved gamification of the delivery of financial concepts, use of manipulatives like play money, interactive discussions, and quick tests. The trainings were considered as urgent as the cash assistance itself, so that people will appreciate the value of the money they were to receive. The module covered the use of digital money, features of mobile wallets, the importance of saving small amounts of money for emergencies and for future needs, spending money wisely, the real cost of high-interest, non-collateralized debt, and inspirational examples of those who are able to save money for the future. It is important to note that the training was organized during pandemic period, hence adequate consideration for health and safety measures were taken during the training session such as use of facemasks, gloves, and alcohol were made available to everyone.

Both the Terminal Report of the FMML and the preliminary findings suggest that the FMML training is useful before the release of the SAP. According to the preliminary findings of the evaluation report, beneficiaries retained training lessons to some degree: most were able to report the correct features of GCash and what saving is about, but only some were able to correctly identify emergency expenses, indicating the need to deepen the training content and approach. However, when it comes to analyzing the effectiveness of financial literacy trainings, there are several points that must be considered including an appreciation of the long-term nature of behavioral change. For future programming, the terminal report specifically recommended further deepening the training material by adequately preparing training modules while maintaining professional experts' involvement in the training provision. Furthermore, the preliminary findings of the M&E report indicate that beneficiaries expressed demand for additional training for future training, such as to obtain more information on how to use GCash in general and how to use the "save money" function to save on GCash.

7. What changes would help meet the project goals in future?

The project has highlighted how UNDP can best leverage its technical expertise, existing tools, and convening mandate in supporting digital cash transfers through the following support areas: conducting readiness assessment of the target area's infrastructure and government capacity, providing Financial Mobile Money Literacy training, technical support to validation (e.g. deployment of DevLive+ tool and exploration of enhancements, capacity building to government partners on knowledge management and data integrity, etc.), quality assurance, monitoring & evaluation, and convening key institutions for scaling.

UNDP's internal processes have hindered the potential for it to serve as an effective pass through entity for rapid disbursement. While internal processes served to duplicate integrity checks, it did not only add additional steps and therefore time, but also ultimately did little to mitigate errors from MMO's final validation checks due to the nuances of beneficiary circumstances. These errors later in the process would then entail follow-up and

verification with beneficiaries, which would add significant time on top of the time needed to repeat validation and certification steps from the LGU for UNDP enrollment.

Should UNDP find itself in a position where the government seeks support for it to serve as a pass-through entity, the following considerations must inform the decision to undertake such an opportunity, complementing these with below measures that would need to be undertaken:

- Institute a readiness assessment of government partners' infrastructure and capacity to better understand resource requirements vis-a-vis prospects for effectiveness and efficiency
- Expand its internal capacity in terms of wallet pre-payment threshold and access – current ICF stipulate that only DRR, Operations Manager and a Finance Analyst can do so. Cost implications, in terms of actual amount and opportunity costs, would need to be factored in when bringing dedicated capacity to support in maintenance of beneficiaries' data integrity in real-time.
- Work with LGUs to establish their own wallet. Implement a robust process for turnover to government counterparts once project is ready to scale, which includes alignment on indicators and timelines for when this will commence, capacity building requirements, transfer of appropriate documentation, and support to facilitate the establishment of government partner's own wallet to tighten the feedback loop between government partner's data verification efforts and having these reflected on the dashboard. This would eliminate the need for them to have UNDP update beneficiary information on their behalf, minimizing certification requirements which adds time and steps to the process, while harnessing accountability for data integrity.

UNDP can also harness increased ownership of LGU and MMO in the KYC validation and enrolment process through:

- Convene project proponents and key institutions prior to implementation to align on process, mandates, and compliance requirements with a view of streamlining various components and steps
- Synchronization of registration process with the MMO's data entry portal is currently not possible given limited access to the portal. Likewise, there needs to be increased involvement from the MMO during registration for trouble shooting and quality assurance. While the selection of MMOs through competitive process (including negotiation and agreement on terms and sharing of information/data) can address this, HQ can extend various process improvements and modifications to facilitate efficient transfer of cash and management of such agreements, especially in a crisis setting.
- LGU capacity building in beneficiary data collection/registration and knowledge management early in the process to foster ownership and streamline with their own beneficiary validation measures. There are also strategic opportunities to align such data collection efforts with LGU's own census needs, as well as understand how mobile wallet data can be helpful in determining beneficiaries' savings and spending behaviors for the administration's own planning and programming efforts.

UNDP should also identify and work with strategic local partners capable of supporting implementation and providing insights on how services can better cater to the needs of marginalized groups. Although the engagement with a community based CSO was a good start, there is potential to scale this further through micro-financing institutes, who would have the combined technical expertise and grassroots experience.

While the FMML provided a good start, more needs to be done in developing new and consolidating existing modules. UNDP may provide more in-depth financial and mobile money financial literacy training to a bigger audience which can be broadened to include more financial concepts that can be used to prepare residents for emergencies, sicknesses, education, and small business's needs. It can be enhanced to include practical tips to help beneficiaries go beyond the concept of savings and actualize the steps needed to build their financial footprint to access formal credit, among other services.

Diagram: Prodoc, government financing agreement, SOPs with BMS, and BMS agreement

