

SBF Project Implementation Monitoring Report

Philippines: Philippines COVID-19 Active Response and Expenditure Support Program

1. Project Information

Project ID:	000392	Investment Number:	P000392
Member:	Philippines	Region:	South-Eastern asia
Sector:	Economic Resilience/PBF	Sub-sector:	N/A
AIB Financing Type:	Loan: 750 USD million	Co-financier(s):	ADB
E&S category:	C	Borrower:	Republic of the Philippines
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Department of Finance		
Project Team Leader:	Hubert Jenny		
Project Team Members:	Bo Zhang, Co PTL		
Completed Site Visits by AIB:	Oct, 2020 Virtual Meeting with the Government and the development partners on reporting results and progress under the CARES Program as part of the First Policy Committee Meeting on COVID-19 Response		
Planned Site Visits by AIB:	Virtual Progress meetings organized by the Government to report by COVID-19 task force on progress		

2. Project Summary and Objectives

The Program's objective is to mitigate the adverse impacts of COVID-19 on the health and economic opportunities of the population of the Philippines by providing budgetary support to the Philippine Government's COVID-19 Response Program.

The Program is cofinanced with the Asian Development Bank (ADB) as a policy-based loan under ADB's Countercyclical Support Facility COVID-19 Pandemic Response Option (CPRO), and will provide critically needed support to help the Government of the Philippines (GoP) mitigate the severe health, social, and economic impact caused by the COVID-19 pandemic. This cofinancing provides AIB with an opportunity to deepen its collaboration with ADB and strengthen ties with the GoP while providing much needed emergency support to a member. ADB provided sovereign-backed loans of USD1.5 billion in total under the CPRO, as described in detail in the enclosed ADB Report and Recommendation of the President to the Board of Directors. The GoP's Department of Finance is the Program implementing entity. The implementation period is expected to be from May 2020 to May 2021.

The Program promotes social protection and economic resilience to prevent long-term damage to the productive capacity, including human capital, of the Philippine economy. It is, therefore, consistent with the purposes of AIB, which are mentioned in AIB's Articles of Agreement: (i) foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors; and (ii) promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions.

3. Key Dates

Approval:	May. 28, 2020	Signing:	Jun. 5, 2020
Effective:	Jun. 30, 2020	Restructured (if any):	
Orig. Closing:	May. 31, 2021	Rev. Closing (if any):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	750	b) Cancellation (if any):	
c) Disbursed:	750	d) Most recent disbursement: (amount / date)	750, Jul. 8, 2020
e) Undisbursed:	0	f) Disbursement Ratio(%) ¹ :	100

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The Loan was declared effective on June 30, 2020 and fully disbursed on July 8, 2020. The Project progress is monitored from the Result Framework (see below) and progress meetings with the Government and the Development Partners every quarter (2 meetings to date).

Components	Physical Progress	Environmental & Social Compliance	Procurement
Budget Support	Fully disbursed	Not Applicable	Not Applicable

Financial Management:

Considering the budget support aspect of the Project through a Policy Based Loan with a single shot disbursement to the Treasury account of the Government, the performance of the financial management is not applicable. The submission of Financial Audited Statements is due by June 30, 2021 and will be reviewed as part of the Final Project Completion Note done in association with ADB Project Team by end of November 2022 (18 months after loan closing in order to capture all the relevant indicators monitored under the Project).

Budget support to the Government through PBL does not require any procurement action.

6. Status of the Grievance Redress Mechanism (GRM)

GRM:

No Project level GRM set-up since the Loan is cofinanced with the ADB as lead cofinancier, and the Program's environmental and social (ES) risks and impacts have been assessed in accordance with the provisions of ADB's Safeguard Policy Statement (SPS) applicable to policy-based lending. AIIB's Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to policy-based operations. Therefore, as permitted by the decision of AIIB's Board of Directors, set forth in the Decisions to Support the Facility, AIIB will apply these provisions of the SPS to this operation in lieu of AIIB's ESP.

Under its SPS, ADB has categorized the Program as Category C for each of Environment, Involuntary Resettlement, and Indigenous Peoples on the basis of an assessment of the countercyclical expenditures to be supported by the Program. These focus on expanding and strengthening social safety nets for the most vulnerable groups and are not expected to have adverse ES impacts.

Government level GRM applies: The Government 8888 Citizens' Complaint Center serves as a mechanism where citizens may report their complaints and grievances on acts of red tape and/or corruption in any government agency or instrumentality. The Complaints Center will provide different communication channels (24/7 hotline, email, text, website, social media, etc) in order for the public to directly inform the government of any bottlenecks in the delivery of services as well as the conduct of transactions..

PPM: Use of ADB's Independent Accountability Mechanism since ADB is Lead Co-financier.

Accordingly, AIIB's Policy on the Project-affected People's Mechanism (PPM) which addresses issues raised under AIIB's ESP as applicable to investment projects, will not apply to this operation. Submissions to the PPM under the Program would, therefore, not be eligible for consideration by the PPM. ADB's independent accountability mechanism addresses issues raised by persons adversely affected by an ADB-assisted project and allows them to report alleged noncompliance with ADB's operational policies and procedures, including the SPS.

7. Results Monitoring

The Project has been fully disbursed with the Government reporting to the development partners on progress against the overall COVID-19 Response Framework.

Baseline Year: Jun. 30, 2020 End Target Year: May. 31, 2021

Project Objective Indicators #1

Poverty incidence

Year	Target	Actual	Others, if any
Apr. 30, 2022	Less than 18%	To be completed at Project Evaluation by ADB as Lead Cofinancier	To be included into AIIB Project Completion Note

Project Objective Indicators #2

Emergency Support Program through Cash Transfer Implemented (Use of sex-disaggregated data for reporting Cash Transfer)

Year	Target	Actual	Others, if any
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Apr. 30, 2021	Peso 205 Billion	To be determined at Project Completion	To be included into AIIB Project Completion Note
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Intermediate Result Indicators #1

COVID-19 confirmed cases

Year	Target	Actual	Others, if any
Dec. 31, 2020	Doubling rate reduced to 30 days or more	Doubling rate 3 to 4 days	Target not met: The number of COVID-19 confirmed cases should be reduced to match a doubling rate to 30 days or more

Remarks: The Project Completion Note to be finalized in coordination with ADB Project Completion Report due by November 30, 2021 will confirm the targets achieved in the Result Framework.