The World Bank Group’s
Country Strategy and Program for the Philippines

March 24, 2017
Mara K. Warwick
Country Director, Philippines
Content

I. The Country Partnership Strategy for FY15-18

II. Current Portfolio and Specific Operations for FY17/Early FY18

III. Potential Program for Future Years
Philippines Country Partnership Strategy (FY15-18)

- **Framework for the WBG’s program in the country.**
- **Goal is inclusive growth through poverty reduction and shared prosperity.**
- **Five broad Engagement Areas targeting fourteen results outcomes.**
- **Formulated in FY14 based on the PDP then.**
- **Undergoing a mid-term review called the Performance and Learning Review (PLR).**
A mid-year review of the strategy involving: (i) Backward looking on the results for the first two FYs; and (ii) Planning for the next years.

- Strategy and priorities will be adjusted to respond to the current Administration’s development plans and priorities.
- Will involve broad consultations with Government, partners and other stakeholders.
- Should be completed by May 2017 and reviewed by WBG Board by July 2017.
The PLR provides the opportunity for alignment of the strategy and program with the Administration’s new priorities.
II. Current Portfolio and Upcoming Operations for FY17/Early FY18
Supporting the Philippines’ priorities under our partnership strategy, the Bank’s portfolio as of mid-March 2017 includes:

• A Trust Fund portfolio comprising approx. 70 grants with total amount of US$198 million.

• Thirteen active projects with net total commitment of approx. US$3 billion, of which US$2.0 billion is undisbursed.

• Financing under the CPS was planned at $600 million - $ 1.0 billion per year, or an average of $800 million for 2-3 operations per year

• Actual financing to date: **FY15** - $924 million for 3 operations incl. a DPL; **FY16** - $950 million for two operations incl. a CAT-DDO. **FY17** loans are currently under processing.
Current Loan Portfolio Mix (includes large grants)

- Social Development: 18%
- Environment: 0%
- Water: 13%
- Education: 11%
- DRM: 18%
- Agriculture: 18%
- Transport: 4%
- Social Protection: 17%
- Energy: 1%
**Project Name:** Philippine Renewable Energy Development Project (PhRED)

**Objective:** To help reduce risks of commercial lending to electric cooperatives.

**Description:** PhRED is a guarantee operation which will help enable targeted electric cooperatives to expand their electricity network, invest in renewable energy like small hydroelectric and solar power plants, and expand electricity access for poor households. PhRED is funded by the Clean Technology Fund (CTF) under the Climate Investments Funds administered by the World Bank. It will complement an ongoing $24 m Access to Sustainable Energy Project (ASEP) funded by an European Trust Fund administered by the Bank.

<table>
<thead>
<tr>
<th>Closing Date</th>
<th>August 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Agency</td>
<td>LGU Guarantee Corporation</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>USD 44 million</td>
</tr>
<tr>
<td>Status</td>
<td>For signing</td>
</tr>
</tbody>
</table>
**Project Name:** Manila Bus Rapid Transit Project (MBRT)

**Objective:** To improve the efficiency, effectiveness and safety of the public transport system along the project corridor in Metro Manila in an environmentally sustainable manner.

**Description:** The MBRT will introduce high-quality bus services, introduce traffic management systems and reform the bus system in the España-Quezon-Commonwealth corridor, a strategic transport route in Metro Manila which connects to other transport modes.

<table>
<thead>
<tr>
<th>Approval Date</th>
<th>March 16, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Agency</td>
<td>Department of Transportation</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>USD 109.41 million</td>
</tr>
<tr>
<td>WB Loan</td>
<td>USD 40.70 million</td>
</tr>
<tr>
<td>Status</td>
<td>For loan signing</td>
</tr>
</tbody>
</table>
**Project Name:** Inclusive Partnership for Agricultural Competitiveness (IPAC)

**Objective:** To improve access to markets and enhance the competitiveness of smallholder farmers in the targeted Agrarian Reform Community clusters.

**Description:** The IPAC will assist around 50 agrarian reform community clusters across 44 provinces nationwide through: (i) Support services for enhanced market linkages to enable the farmer organizations to become more competitive; and (ii) a matching grants program to support smallholder farmers to increase their competitiveness, business orientation and market position.

<table>
<thead>
<tr>
<th>Approval Date (T)</th>
<th>Within FY17 or early FY18 (TBD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Agency</td>
<td>Department of Agrarian Reform</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>USD 231.03 million</td>
</tr>
<tr>
<td>WB Loan</td>
<td>USD 99.31 million</td>
</tr>
<tr>
<td>Status</td>
<td>For negotiation</td>
</tr>
</tbody>
</table>
**Project Name:** Metro Manila Flood Management (MMFM)

**Objective:** To reduce flood risks to people and property in flood-prone areas of greater Metro Manila that are served by targeted pumping stations.

**Description:** The MMFM will involve: (i) rehabilitation and upgrading of existing pumping stations in Metro Manila in targeted areas; (ii) reduction of indiscriminately dumped solid waste into waterways, including community-based programs where feasible, and (iii) supporting an integrated approach to resettlement for affected informal settlers families. Potential co-financing with the Asian Infrastructure and Investment Bank is being explored.

<table>
<thead>
<tr>
<th>Approval Date (T)</th>
<th>Early FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Agency</td>
<td>Department of Public Works and Highways; Metro Manila Development Authority</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>USD 500 million</td>
</tr>
<tr>
<td>WB Loan Amount (T)</td>
<td>USD 210 million</td>
</tr>
<tr>
<td>Status</td>
<td>Under appraisal</td>
</tr>
</tbody>
</table>
III. Potential Program for the Future
Potential Areas of Support

- **Public Financial Mgt.** (national and local levels) – with DBM
- **Digital E-Transformation** and Implementation of the FOI Law – with OP and DICT
- **Tax Reform and Administration** - with DoF
- **Customs and Trade Facilitation** – with BoC
- **Health** – with DoH and Philhealth
- **Local Infra Devt for Tourism**
Potential Support to Mindanao

- Raise Farm Productivity through Agro-Spatial Approach and Product Alliances
- Improve Domestic Connectivity: Roads from Agricultural Centers in Hinterland to Ports
- Consolidate Key Ports and Modernize Customs for Economies of Scale

Boost Human Development
The end.

Thank you!