

Country Operations Business Plan

December 2017

Philippines 2018–2020

This document is being disclosed to the public in accordance with ADB's Public Communication's Policy 2011.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 28 November 2017)

Currency unit - peso (₱) ₱1.00 = \$0.01989 \$1.00 = ₱50.28300

ABBREVIATIONS

ADB Asian Development Bank AFD Agence Française de Développement **ASEAN** Association of Southeast Asian Nations COBP country operations business plan CPS country partnership strategy gross domestic product GDP OCR ordinary capital resources PDP Philippine Development Plan public-private partnership PPP SERD Southeast Asia Department technical assistance TΑ

NOTES

- (i) The fiscal year (FY) of the Government of the Philippines ends on 31 December.
- (ii) In this report, "\$" refers to United States dollars.

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I. CONSISTENCY OF BUSINESS PLAN WITH COUNTRY PARTNERSHIP STRATEGY

- 1. The country partnership strategy (CPS), 2011–2016 for the Philippines¹ focused on achieving high, inclusive, and sustainable growth through four key development outcomes: (i) an improved investment climate and private sector development, (ii) more effective delivery of social services, (iii) reduced environmental degradation and vulnerability to climate change, and (iv) strengthened governance. In 2017, ADB and the Government of the Philippines agreed on an operational program for 2018–2020 that extends the CPS by one year through the country operations business plan (COBP), 2018–2020. This COBP closely aligns with the recently released Philippine Development Plan (PDP), 2017–2022.² The key results areas for each sector are presented in Appendix 1.
- 2. The Philippines' economy enjoyed a 6.2% per annum average increase from 2010 to 2015. In 2016, GDP growth accelerated to 6.9%, which was at the high end of the government's target of 6–7%. The national poverty incidence fell from 25.2% of the population in 2012 to 21.6% in 2015. Nevertheless, the current poverty rate of 2015 still translates to 21.9 million poor people; and with the highest population growth rate in Southeast Asia, poverty remains persistently high. Regional and provincial disparities persist. The poverty rate for Mindanao was 36.2% in 2015; compared to 13.1% for Luzon and 28.2% for Visayas. Vulnerable areas frequented by typhoons (Eastern Visayas) and those affected by conflicts (Southern Mindanao) represent the poorest provinces in the country. Poor infrastructure is consistently among the key factors that constrain the economy from being more competitive and inclusive. Insufficient investment in transport, communication, water, and energy infrastructure will constrain the development of existing productive sectors, limit the country's ability to attract needed investments, and, ultimately, limit growth and poverty reduction.
- 3. Sustained economic growth has led to notable improvements in employment, but the quality of job creation and growth remains a problem. Underemployment remains persistently high at 18.3% in 2016, indicating low labor productivity and insufficient compensation. Labor market demand has shifted towards college-educated and highly-skilled workers, making it more difficult for those without post-secondary schooling to find work. Finally, the school-to-work transition for many young Filipinos has been slow and is often associated with substantial uncertainty.
- 4. On 11 October 2016, President Rodrigo R. Duterte issued Executive Order No. 5 approving the country's first long-term vision, which aims to ensure strategic continuity across government administrations for key programs, development, and poverty reduction.³ PDP, 2017–2022 was approved on 20 February 2017 and is the first medium-term plan that is geared towards attaining the *Ambisyon Natin 2040*. It aims to lay a stronger foundation for inclusive growth, a high trust society, and a globally competitive knowledge economy. For the medium-term, the PDP, 2017–2022 aims to achieve this agenda by regaining trust in public institutions, reducing inequality, and increasing the country's growth potential. Key cross-cutting themes that will shape the government's strategic priorities will involve initiatives to (i) ensure peace and security; (ii) accelerate strategic infrastructure development; (iii) ensure safety and build resilience; and (iv) ensure ecological integrity and a clean and healthy environment.

¹ ADB. 2011. Country Partnership Strategy: Philippines, 2011–2016. Manila. Available from the List of Linked Documents, Appendix 2.

Government of the Philippines. 2017. Philippine Development Plan, 2017–2022. Manila. Available from the List of Linked Documents, Appendix 2.

³ Government of the Philippines. 2016. *Ambisyon Natin 2040*. Manila. Available from the List of Linked Documents, Appendix 2.

- 5. The President's Executive Order No. 27, issued on 1 June 2017, supports the PDP, 2017–2022. The order directs all agencies at both the national and local government levels, including government-owned and controlled corporations, "to adopt and disseminate the PDP, 2017–2022 [align their programs], and undertake efforts leading to its [full] implementation."
- 6. Against this background, the COBP will maintain alignment with government priorities and have a strategic focus on inclusive and sustained development in all regions of the country. It will continue to align with the strategic priorities of CPS, 2011–2016 as it supports the government's commitment to scale-up expenditure for infrastructure and social services, and implement further reforms to boost investment, raise employment and productivity, and strengthen government service delivery, especially at local levels. The COBP will also establish the groundwork for updating the strategic priorities being developed in the upcoming CPS for 2018–2023 by further enhancing investments in transport infrastructure; regional development and local service delivery, especially in Visayas and Mindanao; inclusive finance; and employment and education services.
- 7. The COBP, 2018–2020 is aligned with ADB's long-term strategic framework 2008–2020 (Strategy 2020).⁴ It supports all five core areas of operations in the strategy—infrastructure, environment, regional cooperation and integration, finance sector development, and education. Infrastructure operations will be the main channel of contribution to the strategy's three strategic agendas of inclusive economic growth, environmentally sustainable growth, and regional integration.

II. INDICATIVE RESOURCE PARAMETERS

- 8. The Philippines, a group C developing member country, is eligible for regular ordinary capital resources (OCR) lending. The indicative resources available for commitment during 2018–2020 for sovereign operations amount to \$2.56 billion. ADB will actively explore cofinancing and funding from other sources, including regular OCR regional cooperation and integration set-aside. An indicative sovereign lending program of \$3.68 billion, 43.8% higher than indicative resources, is proposed in Appendix 3.5
- 9. During 2018–2020, ADB also expects to deliver technical assistance (TA) worth \$25.1 million, to be financed from internal and other financing sources. Efforts will continue to supplement these resources, whenever feasible, with ADB-administered trust funds and other external sources. ADB's Southeast Asia Department (SERD) will work closely with the Office of Cofinancing Operations to identify potential cofinanciers, which may include the Abu Dhabi Fund for International Development, Agence Française de Développement, European Investment Bank, European Union, Japan International Cooperation Agency, Organization of the Petroleum Exporting Countries Fund for International Development, the World Bank, Association of Southeast Asian Nations (ASEAN) Infrastructure Fund, and other global climate funds (e.g., the Green Climate Fund).
- 10. ADB's ongoing program for 2017 consists of four loans totaling \$1.080 billion, and TA of \$7.503 million from internal sources, \$7.499 million from Canada, and \$225,000 from the Urban Climate Change and Resilience Trust Fund (Appendix 4).

⁴ ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020. Manila. Available from the List of Linked Documents. Appendix 2.

⁵ The actual pipeline can deviate from the indicative resource allocation due to possible reallocation of OCR within ADB's Southeast Asia Department. Also, ADB will actively explore cofinancing, in consultation with the government, to fill any financing gaps.

- 11. ADB will continue to align non-sovereign operations with identified priority areas for the Philippines. ADB will continue to monitor the rollout of the government's public—private partnership (PPP) projects for financing consideration. ADB will also consider providing TA to the private sector for feasibility studies, capacity building, and other critical activities to support challenging infrastructure projects, introduce new concepts or technology, or build in-country capacity. ADB will also continue to pursue financial intermediation through local commercial banks, nonbanks, and private equity funds.
- 12. Knowledge work will continue to focus on analytical and advisory support for preparing lending operations, expanding investment in capacity development, applying lessons from monitoring and evaluation of operations for future investments, and developing and initiating government reform initiatives and innovations. Knowledge products and services planned for 2018 and delivered in 2017 are listed in Appendix 5.

III. SUMMARY OF CHANGES TO LENDING AND NONLENDING PROGRAMS

- 13. Changes from the 2017–2019 program include:
 - (i) one project on the 2018 firm/2017 standby list has been approved in 2017: Infrastructure Preparation and Innovation Facility;
 - (ii) five projects and two programs added to the 2018–2020 pipeline: Long-Term Capacity Building Project to Foster a Culture of Competition in Government (2018 firm); Malolos–Clark Railway Project (2019 firm); Central Spine Connectivity Project (2020 firm); Mindanao River Basin Flood Control Project (2020 firm); North–South Commuter Rail South Line, Tutuban to Los Baños (2020 firm); Facilitating Youth School-to-Work Transition Program, Subprogram 2 (2019 firm); and Inclusive Finance Development Program, Subprogram 2 (2020 firm);
 - (iii) two projects broadened in scope and shifted: Metro Manila Transport Project (formerly Metro Manila Bus Rapid Transit-Epifanio de los Santos Avenue Project) from 2017 standby to 2018 firm; and Regional Development Project, Phase 1 South Central Mindanao (merger of Mindanao Development Program and Enhancing Rural Enterprise and Rural Employment Program) from 2017 firm to 2018 firm:
 - (iv) two projects shifted from 2018 firm to 2018 standby/2019 firm: Secondary Education Support Project (formerly Second Senior High School Support Program) and Disaster Risk Financing Project, Phase 1;
 - (v) one project shifted from 2017 firm to 2018 firm: Davao Public Transport Modernization Project; one project shifted from 2018 firm to 2019 firm: Metro Manila Water Supply Project (formerly Metro Manila Water Supply and Sanitation Project); and two projects shifted from 2019 firm to 2020 firm: Improving Growth Corridors in Mindanao Road Sector Project (formerly Improving National Connectivity for Mindanao Development Project) and Expanded Social Assistance Project (formerly Social Protection Support Program);
 - (vi) one program deferred from 2018 firm to 2021 or 2022: ASEAN Economic Community Support Program Facility;
 - (vii) two projects deferred from 2019 firm to 2021 or 2022: Laguna Lakeshore Road Development Project (formerly Lake Laguna Flood Management/Integrated Water Resource Management Program) and Sustainable Rural Power Supply Development Project (formerly Energy Sector Development Project);
 - (viii) two projects dropped from the 2018 to 2020 pipeline: Solid Waste Management

- Sector Project and Angat Water Transmission Improvement Project Phase 2;
- (ix) two investment grants added to 2018: Empowering Bangsamoro Communities through Adult Literacy and Productivity Enhancement Programs, to be financed from a trust fund; and Marawi Recovery and Reconstruction Assistance, from the Urban Climate Change Resilience Trust Fund;
- (x) one knowledge support technical assistance advanced from 2019 to 2018: Inclusive Financial Sector Strengthening (formerly Financial Inclusion for Small and Medium Enterprises);
- (xi) one transaction technical assistance (TA) broadened in scope and shifted from 2017 to 2019: Strengthening Capacity for Regional Investment Planning and Coordination in South Central Mindanao (formerly Strengthening Capacity for Implementing the Rural Enterprise and Rural Employment Program);
- (xii) two TA projects shifted from 2017 to 2018: Preparing the Laguna Lakeshore Road Development Project (formerly Lake Laguna Flood Management/Integrated Water Resource Management Program), and Preparing the Improving Growth Corridors in Mindanao Road Sector Project, Phase 2 (formerly Improving the National Connectivity for Mindanao Development Project); one TA project shifted from 2017 to 2019: Preparing the Metro Manila Water Supply Project, Phase 2 (formerly Angat Water Transmission Improvement Project); one TA project shifted from 2018 to 2019: Preparing the Third Education Sector Improvement Program; and two TA projects shifted from 2019 to 2020: Support for Infrastructure Program; and Support for the Expanded Social Assistance Project;
- (xiii) Twelve TA projects added to the 2018–2020 program: Preparing the Central Spine Connectivity Project (2018); Preparing the Mindanao River Basin Flood Control Project (2018); Preparing the Regional Development Project, Phase 2 to 4 (Supplementary) (2018); Preparing for the Sustainable Rural Power Supply Development Project (2018); Preparing the Metro Manila Railway Projects (2018); Encouraging Private Sector Participation in Infrastructure (2018); Enterprise-led Learning Networks (2018); Preparing the Metro Manila Transport Project (Supplementary) (2018); Preparing for the Central Spine Connectivity Project, Phase 2 (2019); Preparing for the National Greenways and Non-Motorized Transport Development Project (2019); Preparing for the North-Eastern Luzon Expressway Project (2019); and Preparing Additional Support for Urban Development and Water Services (2020).

COUNTRY ASSISTANCE RESULTS AREAS

Key Country Development		ADB	
Outcomes that ADB Contributes to	Key Areas of Assistance	Indicative Resource Allocation in 2018–2020	Changes from Last COBP
1. Transport			
Improved accessibility, sustainability, and climate resiliency of transport infrastructure	Development and upgrading of nonurban roads (national roads, road safety, road maintenance, and	Amount: \$990 million (OCR) and \$40 million (cofinancing)	Davao Public Transport Modernization Project shifted from 2017 to 2018
and services	asset management; road transport policy and reforms) Development of urban public transport system (rehabilitation and new infrastructure) and improvement of systems	Share of COBP envelope: 26.90%	Regional Development Program – South Central Mindanao (merged project of Enhancing Rural Enterprise and Rural Employment Program and Mindanao Development Program) added to the 2018 pipeline Malolos–Clark Railway Project, PFR1 added to the
	management		2019 pipeline
	Development and improvement of connectivity infrastructure		Improving Growth Corridors in Mindanao Road Sector Project, Phase 2 (formerly Improving National Connectivity for Mindanao Development) shifted from 2019 to 2020
			Central Spine Connectivity Project, PFR1 added to the 2020 pipeline
			North–South Commuter Rail – South Line, Tutuban to Los Baños, PFR1 added to the 2020 pipeline
2. Education	1		1
Improved access to and quality of basic education and employment	Education sector development Supporting youth school-to-work	Amount: \$450 million Share of COBP envelope:	Secondary Education Support Project (formerly Secondary Education Support Program) shifted from 2018 to 2019
	transition	12.23%	2010 to 2019
			Facilitating Youth School-to-Work Transition, Subprogram 2 added to the 2019 pipeline
3. Agriculture, Natural Resources,	and Rural Development	1	1
Increased rural productivity and access to rural employment and business development	Support to regional and inter- provincial planning and monitoring approach to integrated area development	Amount: \$100 million Share of COBP envelope: 2.72%	Regional Development Program – South Central Mindanao (merged project of Enhancing Rural Enterprise and Rural Employment Program and Mindanao Development Program) added to the 2018 pipeline

Key Country Development		ADB	1
Outcomes that ADB Contributes to	Key Areas of Assistance	Indicative Resource Allocation in 2018–2020	Changes from Last COBP
			Mindanao River Basin Flood Control Project added to the 2020 pipeline
4. Water and Other Urban Infrastr	ucture and Services		
Enhanced access of population to sustainable and climate-resilient water, sanitation, and waste management facilities and services	Developing urban and rural water supply Policy reforms and institutional capacity development for regulatory oversight, financial planning, and asset and water security management Integration of flood control infrastructure in river basins	Amount: \$300 million Share of COBP envelope: 8.15%	Regional Development Program – South Central Mindanao (merged project of Enhancing Rural Enterprise and Rural Employment Program and Mindanao Development Program) added to the 2018 pipeline Metro Manila Water Supply Project (formerly Metro Manila Water and Sanitation Project) shifted from 2018 to 2019 pipeline Mindanao River Basin Flood Control Project added to the 2020 pipeline Laguna Lakeshore Road Development Project (formerly Lake Laguna Flood Management/ Integrated Water Resource Management Program) deferred to 2021–2022 and recategorized under Transport Solid Waste Management Sector Project is dropped Angat Water Transmission Improvement Project, Phase 2 is dropped
Improved investment climate, private sector development, and external competitiveness Improved decentralization and local governance Improved government policies and support services for youth employment	Advancing reforms and institutional development for public–private partnerships Advancing reforms and capacity development in public expenditure management and public administration for national and local government	Amount: \$1,140 million Share of COBP envelope: 30.98%	Regional Development Program – South Central Mindanao (merged project of Enhancing Rural Enterprise and Rural Employment Program and Mindanao Development Program) added to the 2018 pipeline Long-Term Capacity Building Program to Foster a Culture of Competition in Government added to the 2018 pipeline

Key Country Development		ADB	
Outcomes that ADB Contributes to	Key Areas of Assistance	Indicative Resource Allocation in 2018–2020	Changes from Last COBP
Improved measures for social protection	Institutional and organizational development in government agencies to promote youth school-to-job transition employment opportunities Broadened support for social protection programs		Facilitating Youth School-to-Work Transition, Subprogram 2 added to the 2019 pipeline Expanded Social Assistance Project (formerly Social Projection Support Project) shifted from 2019 to the 2020 pipeline ASEAN Economic Community Support Program Facility deferred to 2021–2022
6. Finance			L
Deeper, more diversified, and resilient nonbank financial sector	Development of the finance sector, particularly capital markets and nonbank finance Support for inclusive finance including access to finance by MSMEs Support for the establishment of a disaster (tropical cyclones and earthquakes) insurance pool	Amount: \$700 million Share of COBP envelope: 19.02%	Inclusive Finance Development Program, Subprogram 2 (formerly Reducing Income Inequality through Financial Inclusion) added to the 2020 pipeline
7. Energy Improved access to reliable and secure supply of electricity		Amount: \$0 million Share of COBP envelope: 0%	Sustainable Rural Power Supply Project (formerly Energy Sector Development Project) deferred to 2021–2022

ADB = Asian Development Bank; ASEAN = Association of Southeast Asian Nations; COBP = country operations business plan; MSME = micro, small, and medium-size enterprises; OCR = ordinary capital resources; PFR = periodic financing request.
Source: ADB estimates.

LIST OF LINKED DOCUMENTS

http://www.adb.org/Documents/COBP/?id=PHI-2018

- 1. ADB Country Partnership Strategy: Philippines, 2011–2016
- 2. Philippine Development Plan, 2017–2022
- 3. Ambisyon Natin 2040
- 4. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020

INDICATIVE ASSISTANCE PIPELINE

Table A3.1: Lending Products, 2018–2020

			Strategic		Year					million)		
		Deventer	Agendas and Drivers		of				ADE ADE			0-
Project/Program Name	Sector	Poverty Targeting	of Change	Division	TRTA/ PDA	Total	OCR	COL	ADF Grants	Total	Gov't	Co- finance ^a
2018 Firm												
Davao Public Transport Modernization Project	TRA	GI	IEG, ESG, PAR	SETC	2015	110.0	70.0	0.0	0.0	70.0		40.0 b
Expanding Private Participation in Infrastructure Program, Subprogram 2 (PBL)	PSM	GI	ESG, PSD, GCD	SEPF	2015	300.0	300.0	0.0	0.0	300.0		
Inclusive Finance Development Program (PBL) (formerly Reducing Income Inequality through Financial Inclusion)	FIN	GI	PSD, GCD	SEPF		300.0	300.0	0.0	0.0	300.0		
Regional Development Project, Phase 1 – South Central Mindanao (formerly Mindanao Development Program)	ANR, PSM, TRA	TI-G	ESG, RCI, EGM, PSD, GCD, KNS, PAR	PhCO, SEUW	2017	100.0	100.0	0.0	0.0	100.0		
Metro Manila Transport Project (formerly Metro Manila BRT- EDSA Project) (MFF: \$500 million), PFR1	TRA	GI	IEG, ESG, GCD	SETC	2017	100.0	100.0	0.0	0.0	100.0		
Long-Term Capacity Building Project to Foster a Culture of Competition in Government	PSM	GI	IEG, PSD, GCD	SEPF		50.0	50.0	0.0	0.0	50.0		
Empowering Bangsamoro Communities through Adult Literacy and Productivity Enhancement Programs	EDU	TI-G	IEG, GEN, GCD, KNS, PAR	PhCO, SEHS		0.0	0.0	0.0	0.0	0.0	0.0	3.0 °

			Strategic		Year					million)		
		Povertv	Agendas and Drivers		of TRTA/				ADB ADF		<u>-</u>	Co-
Project/Program Name	Sector	Targeting	of Change	Division	PDA	Total	OCR	COL	Grants	Total	Gov't	finance ^a
Marawi Recovery and Reconstruction Assistance	WUS	TI-G	IEG, EGM, GCD, PAR	SEUW		0.0	0.0	0.0	0.0	0.0	0.0	5.0 ^d
Total						968.0	920.0	0.0	0.0	920.0		48.0
2018 Standby												
Secondary Education Support Project (formerly Second Senior High School Support Program) (RBL)	EDU	GI	GEN, PSD, GCD, PAR	SEHS	2016	300.0	300.0	0.0	0.0	300.0		
Disaster Risk Financing, Phase 1	FIN	TI-G	ESG, PSD, GCD, KNS, PAR	SEPF		100.0	100.0	0.0	0.0	100.0		
2019 Firm												
Secondary Education Support Project (formerly Second Senior High School Support Program) (RBL)	EDU	GI	GEN, PSD, GCD, PAR	SEHS	2016	300.0	300.0	0.0	0.0	300.0		
Disaster Risk Financing, Phase 1	FIN	TI-G	ESG, PSD, GCD, KNS, PAR	SEPF		100.0	100.0	0.0	0.0	100.0		
Metro Manila Water Supply Project, Phase 1 (formerly Metro Manila Wastewater Improvement Project)	WUS	GI	ESG, PSD, GCD, KNS, PAR	SEUW	2014	200.0	200.0	0.0	0.0	200.0		
Local Government Development Program (PBL)	PSM	GI	GCD	SEPF		300.0	300.0	0.0	0.0	300.0		
Facilitating Youth School-to- Work Transition, Subprogram 2 (PBL)	EDU, PSM	TI-G	EGM, PSD, GCD, PAR	SEPF, SEHS		300.0	300.0	0.0	0.0	300.0		

			Strategic		Year			Cost (\$ million)					
		Poverty	Agendas and Drivers		of TRTA/				ADB ADF		-	Co-	
Project/Program Name	Sector	Targeting	of Change	Division	PDA	Total	OCR	COL	Grants	Total	Gov't	finance	
Malolos–Clark Railway Project (MFF: \$2 billion), PFR1	TRA	GI	IEG, ESG, GCD	SETC	2017	200.0	200.0	0.0	0.0	200.0			
Total						1,400.0	1,400.0	0.0	0.0	1,400.0			
2020 Firm													
Central Spine Connectivity Project, Phase 1 (MFF: \$300 million), PFR1	TRA	GI	RCI, GCD	SETC	2018	100.0	100.0	0.0	0.0	100.0			
Improving Growth Corridors in Mindanao Road Sector Project, Phase 2	TRA	GI	IEG, GCD	SETC	2018	300.0	300.0	0.0	0.0	300.0			
Mindanao River Basin Flood Control Project	WUS/ ANR	GI	ESG, EGM, GCD, KNS	SEER	2018	160.0	160.0	0.0	0.0	160.0			
Inclusive Finance Development Program, Subprogram 2 (PBL) (formerly Reducing Income Inequality through Financial Inclusion)	FIN	GI	PSD, GCD	SEPF		300.0	300.0	0.0	0.0	300.0			
Expanded Social Assistance Project (formerly Social Protection Support Project)	PSM	TI-H	EGM, GCD, KNS, PAR	SEHS	2018	300.0	300.0	0.0	0.0	300.0			
North-South Commuter Rail – South Line, Tutuban to Los Baños (MFF: \$2 billion), PFR1	TRA	GI	IEG, ESG, GCD	SETC	2017	200.0	200.0	0.0	0.0	200.0			
Total						1,360.0	1,360.0	0.0	0.0	1,360.0			
2020 Standby													
Metro Manila Transport Project (MFF: \$500 million), PFR2	TRA	GI	IEG, ESG, GCD	SETC	2017	300.0	300.0	0.0	0.0	300.0	•••		

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			Strategic		Year				Cost (\$	million)		
			Agendas		of			A	DB			
		Poverty	and Drivers		TRTA/				ADF		•	Co-
Project/Program Name	Sector	Targeting	of Change	Division	PDA	Total	OCR	COL	Grants	Total	Gov't	financea
Regional Development Project, Phase 2 – Northern Mindanao	PSM, TRA, ANR	TI-G	ESG, RCI, EGM, PSD, GCD, KNS, PAR	PhCO, SEUW	2018	200.0	200.0	0.0	0.0	200.0		
Disaster Risk Financing, Phase 2	FIN	TI-G	ESG, PSD, GCD, KNS, PAR	SEPF	2019	100.0	100.0	0.0	0.0	100.0		

ADB = Asian Development Bank; ADF = Asian Development Fund; ANR = agriculture, natural resources, and rural development; BRT-EDSA = Bus Rapid Transit – Epifanio de los Santos Avenue; COL = concessional OCR lending; EDU = education; EGM = effective gender mainstreaming; ENE = energy; ESG = environmentally sustainable growth; FIN = finance; GCD = governance and capacity development; GEN = gender equity; GI = general intervention; Gov't = government; IEG = inclusive economic growth; KNS = knowledge solutions; MFF = multitranche financing facility; OCR = ordinary capital resources; PAR = partnership; PDA = project design advance; PFR = periodic financing request; PhCO = Philippine Country Office; PPTA = project preparatory technical assistance; PSD = private sector development; PSM = public sector management; RCI = regional integration; SEEN = Southeast Asia Environment, Natural Resources, and Agriculture Division; SEHS = Southeast Asia Human and Social Development Division; SEPF = Southeast Asia Public Management, Financial Sector, and Trade Division; SETC = Southeast Asia Transport and Communications Division; SEUW = Southeast Asia Urban Development and Water Division; TI-G = targeted intervention—geographic dimensions of inclusive growth; TRA = transport; WUS = water supply and other urban infrastructure and services.

^a Potential cofinanciers include Abu Dhabi Fund for International Development (ADFD), Agence Française de Développement (AFD), Asian Infrastructure Investment Bank (AIIB), Australia, Canada, European Investment Bank (EIB), Japan International Cooperation Agency (JICA), OPEC Fund for International Development (OFID), the World Bank, ASEAN Infrastructure Fund, and other global climate funds (e.g., Global Climate Fund, or GCF).

^b To be cofinanced by the private sector through public–private partnerships.

^c Investment grant to be financed by a trust fund.

^d Investment grant to be financed by the Urban Climate Change Resilience Trust Fund. Source: Asian Development Bank.

Table A3.2: Nonlending Products and Services, 2018–2020

					Sources of	f Funding		
				ΑI)B	Oth	ers ^a	
Andatauan Nama	0	District	Assistance	0	Amount	0	Amount	Total
Assistance Name	Sector	Division	Туре	Source	(\$'000)	Source	(\$'000)	(\$000)
2018 Firm								
Preparing the Laguna Lakeshore Road Development Project (formerly Lake Laguna Flood Management / Integrated Water Resource Management Program)	TRA	SETC	TRTA	TASF-Other Sources	1,200		0	1,200
Preparing the Improving Growth Corridors in Mindanao Road Sector Project, Phase 2 (formerly Improving the National Connectivity for Mindanao Development Project)	TRA	SETC	TRTA	TASF-Other Sources	1,200		0	1,200
Preparing the Central Spine Connectivity Project	TRA	SETC	TRTA	TASF-Other Sources	1,200			1,200
Preparing the Mindanao River Basin Flood Control Project	WUS	SEER	TRTA	TASF-Other Sources	1,000		0	1,000
Preparing the Regional Development Project, Phase 2 to 4 (Supplementary)	TRA	PHCO, SEUW	TRTA	TASF-Other Sources	1,500		0	1,500
Preparing the Sustainable Rural Power Supply Development Project	ENE	SEEN	TRTA	TASF-Other Sources	1,000		0	1,000
Implementing the Secondary Education Support Project (formerly Second Senior High School Support Project)	EDU	SEHS	TRTA	TASF-Other Sources	800		0	800
Preparing the Expanded Social Assistance Project (formerly Social Protection Support Project)	PSM	SEHS	TRTA	TASF-Other Sources	1,000			1,000
Inclusive Financial Sector Strengthening (formerly Financial Inclusion for Small and Medium Enterprises)	FIN	SEPF	TRTA	TASF-Other Sources	500		0	500
Preparing the Metro Manila Railway Projects	TRA	SETC	TRTA	TASF-Other Sources	3,500		0	3,500
Encouraging Private Sector Participation in Infrastructure	FIN	SEPF	TRTA	TASF-Other Sources	800			800
Enterprise-led Learning Networks	FIN	SEPF	KSTA	3 3 4 1 5 5 5		Trust fund	1,500	1,500
Preparing the Metro Manila Transport Project (Supplementary)	TRA	SETC	TRTA			PRITF	500	500
Total					13,700		2,000	15,700
2019 Firm								
Preparing the Metro Manila Water Supply Project, Phase 2 (formerly Angat Water Transmission Improvement Project)	WUS	SEUW	TRTA	TASF-Other Sources	1,000		0	1,000

				Sources of Funding						
				AD	В	Oth	ersa			
			Assistance		Amount		Amount	Total		
Assistance Name	Sector	Division	Туре	Source	(\$'000)	Source	(\$'000)	(\$'000)		
Strengthening Decentralized Government Capacities	PSM	SEPF	TRTA	TASF-Other Sources	500		0	500		
Preparing the Third Education Sector Improvement Program	EDU, HLT, PSM	SEHS	TRTA	TASF-Other Sources	800		0	800		
Strengthening Capacity for Regional Investment Planning and Coordination in South Central Mindanao (formerly Strengthening Capacity for Implementing the Rural Enterprise and Rural Employment Program)	PSM	PHCO, SEUW	KSTA	TASF-Other Sources	800		0	800		
Preparing for the Central Spine Connectivity Project, Phase 2	TRA	SETC	TRTA	TASF-Other Sources	1,500		0	1,500		
Preparing the National Greenways and Non-Motorized Transport Development Project	TRA	SETC	TRTA	TASF-Other Sources	1,000		0	1,000		
Preparing the North-Eastern Luzon Expressway Project	TRA	SETC	TRTA	TASF-Other Sources	1,000		0	1,000		
Total				3 50555	6,600			6,600		
2020 Firm										
Support for Infrastructure Program	TRA	SETC	TRTA	TASF-Other Sources	1,500		0	1,500		
Preparing Additional Support for Urban Development and Water Services	WUS	SEUW	TRTA	TASF-Other Sources	1,000		0	1,000		
Support for the Expanded Social Assistance Project (formerly Social Projection Support Project)	PSM	SEHS	TRTA	TASF-Other Sources	300		0	300		
Total					2,800		0	2,800		

ADB = Asian Development Bank; ANR = agriculture, natural resources, and rural development; EDU = education; FIN = finance; HLT = health; KSTA = knowledge support technical assistance; PhCO = Philippines Country Office; PRITF = Project Readiness Improvement Trust Fund; PSM = public sector management; SEHS = Southeast Asia Human and Social Development Division; SEPF = Southeast Asia Public Management, Financial Sector, and Trade Division; SETC = Southeast Asia Transport and Communications Division; SEUW = Southeast Asia Urban Development and Water Division; TASF = Technical Assistance Special Fund; TRA = transport; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

^a Financing for some project preparatory support may draw from the Infrastructure Preparation and Innovation Facility (approved in 2017) and SERD-administered Project Readiness Improvement (PRI) Trust Fund. ADB will aim to identify cofinancing opportunities, whenever feasible, with other external (preferably grant) sources from bilateral donors such as Australia, Canada, France and Spain; and ADB-administered trust funds, among them: (a) High Level Technology Fund; (b) Integrated Disaster Risk Management (IDRM) Fund; (c) Urban Climate Change Resilience Trust Fund (UCCRTF); (d) e-Asia and Knowledge Partnership Fund (EAKPF); (e) Water Financing Partnership Facility (WFPF); (f) Japan Fund for the Joint Crediting Mechanism (JFJCM), (g) Japan Fund for Poverty Reduction, etc. Source: ADB estimates.

ASSISTANCE PROGRAM FOR CURRENT YEAR

Table A4.1: Lending Products, 2017

			Strategic Agendas				Cost (\$ million) ADB					
Project/Program Name	Sector	Poverty Targeting	and Drivers of Change	Division	of TRTA/ PDA	Total	Regular OCR	COL	ADF Grants	Total	Gov't	Co- finance
Facilitating Youth School-to-Work Transition Program (PBL)	EDU PSM	TI-G	EGM, PSD, GCD, PAR	SEPF	2015	300.0	300.0	0.0	0.0	300.0		0.0
Encouraging Investment through Capital Market Reforms, Subprogram 2 (PBL)	FIN	GI	ESG, RCI, PSD, GCD, PAR	SEPF		300.0	300.0	0.0	0.0	300.0		0.0
Infrastructure Preparation and Innovation Facility	WUS, TRA	TI-G	ESG, RCI, PSD, GCD, KNS, PAR	SETC	2017	100.0	100.0	0.0	0.0	100.0		0.0
Improving Growth Corridors in Mindanao Road Sector Project (formerly Improving National Roads for Inclusive Growth in Mindanao Project)	TRA	GI	IEG, RCI, GCD	SETC	2014	380.0	380.0	0.0	0.0	380.0		0.0
Total						1,080.0	1,080.0	0.0	0.0	1,080.0		0.0

ADB = Asian Development Bank; ADF = Asian Development Fund; COL = concessional OCR lending; EDU = education; EGM = effective gender mainstreaming; ESG = environmentally sustainable growth; FIN = finance; GCD = governance and capacity development; GI = general intervention; Gov't = government; IEG = inclusive economic growth; KNS = knowledge solutions; OCR = ordinary capital resources; PAR = partnership; PBL = policy based lending; PDA = project design advance; PSD = private sector development; PSM = public sector management; RCI = regional integration; SEPF = Southeast Asia Public Management, Financial Sector, and Trade Division; SETC = Southeast Asia Transport and Communications Division; TI-G = targeted intervention—geographic dimensions of inclusive growth; TRA = transport; TRTA = transaction technical assistance; WUS = water supply and other urban infrastructure and services.

Note: For the period 2015–2017, investment loans comprised 42.3% of total lending, while policy-based loans comprised 57.7%.

Source: Asian Development Bank.

Table A4.2: Nonlending Products and Services, 2017

			Assistance Type	Sources of Funding				
				ADB		Others		
Assistance Name	Sector	Division		Source	Amount (\$'000)	Source	Amount (\$'000)	Total (\$'000)
Support for the Nationwide Rollout of JobStart Philippines (Supplementary)	PSM	SEPF	TRTA		0	Canada	7,499	7,499
Strengthening Infrastructure Capacity and Innovation for Inclusive Growth	TRA, WUS, PSM	SETC	TRTA	TASF-Other Sources	5,000		0	5,000
Encouraging Investment through Capital Market Reforms Program	FIN	SEPF	TRTA	TASF-Other Sources	500		0	500
Davao Public Transport Modernization Project (Supplementary)	TRA	SETC	TRTA	TASF-Other Sources	503		0	503
Marawi Recovery and Reconstruction Assistance	WUS	SEUW			0	UCCRTF	225	225
Preparing the Metro Manila Transport Project	TRA	SETC	TRTA	TASF-Other Sources	1,500		0	1,500
Tota	I				7,503		7,724	15,227

ADB = Asian Development Bank; FIN = finance; PSM = public sector management; SEPF = Southeast Asia Public Management, Financial Sector, and Trade Division; SETC = Southeast Asia Transport and Communications Division; SEUW = Southeast Asia Urban Development and Water Division; TASF = Technical Assistance Special Fund; TRA = transport; TRTA = Transaction Technical Assistance; UCCRTF = Urban Climate Change Resilience Trust Fund; WUS = water and other urban infrastructure and services.

Source: ADB estimates.

INDICATIVE KNOWLEDGE PUBLICATIONS AND EVENTS

Table A5.1: Knowledge Publications and Events for 2018

Title of Publication or Event	Subject	Type	Department or Sector Group or Thematic Group	Technical Assistance
Subnational PPPs of Selected DMCs	Economics	Publication and documentation (working paper)	ERCD	RETA 7507
Asian Development Bank and Philippines: Fact Sheet 2017	Governance	Publication and documentation (awareness raising brochure or leaflet)	DER, SERD	Non-TA
Philippines Asian Development Outlook 2018	Economics	Publication and documentation (technical study)	SERD	Non-TA
GCAP for BIMP-EAGA City in the Philippines	Economics, Urban Development, RCI,	Publication and documentation (technical study)	SERD	RETA 8814
BIMP-EAGA Investment Corridor Profiling II	Industry, and Trade	Publication and documentation (technical study)	SERD	RETA 8814
Philippines Asian Development Outlook 2018 Supplement	Economics	Publication and documentation (technical study)	SERD	Non-TA
Philippine Economic Update	Economics	Publication and documentation (technical study)	SERD	Non-TA
Philippines Asian Development Outlook 2018 Update	Economics	Publication and documentation (technical study)	SERD	Non-TA
PHI Energy Sector Assessment, Strategy, and Roadmap	Energy	Publication and documentation (technical study)	SERD	Non-TA
Philippine Economic Update	Economics	Publication and documentation (technical study)	SERD	Non-TA
Gender-specific and Gender-Mainstreamed Articles Related to KALAHI-CIDSS National CDD Project in PHI	Gender	Publication and documentation (awareness raising brochure or leaflet)	SERD	TA 8590
Country Information Note – PHI	Economics, Industry, and Trade	Publication and documentation (briefing material or talking points)	SERD	Non-TA
Climate Change Adaptation in Asian River Basins: Challenges and Prospects	ANR, Climate Change	Publication and documentation (technical study)	SERD	RETA 7987
Catalyzing Convergence of Economic Growth and Social Progress in the Philippines	Economics, Social Development and Protection	Publication and documentation (technical study)	SERD	TA 8590
PHI Transport Sector ASR	Transport	Publication and documentation (technical study)	SERD	Non-TA
Philippine Economic Update	Economics	Publication and documentation (technical study)	SERD	Non-TA

		_	Department or Sector Group or	Technical
Title of Publication or Event	Subject	Туре	Thematic Group	Assistance
Philippines Asian Development Outlook 2018 Supplement	Economics	Publication and documentation (technical study)	SERD	Non-TA
International Financial Institutions Heads of Administration Meeting 2018	Finance	Event organization	OAS	Non-TA
Strengthening Tax Policy and Reform in the Philippines	Economics	Publication and documentation (technical study)	SERD	Non-TA
Country Partnership Strategy: Philippines, 2018–2023	Country Assistance Program and Strategy	Publication and documentation (awareness raising)	SERD	Non-TA
Country Operations Business Plan: Philippines, 2019–2021	Country Assistance Program and Strategy	Publication and documentation (awareness raising)	SERD	Non-TA
Total number of publications = 20	3,	(

ADB = Asian Development Bank; ANR = agriculture and natural resources; ASEAN = Association of Southeast Asian Nations; ASR = assessment, strategy, and roadmap; BIMP-EAGA = Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area; CDD = community-driven development; DER = Department of External Relations; DMC = developing member country; GCAP = Green City Action Plan; OAS = Office of Administrative Services; PHI = Philippines; PPP = public-private partnerships; RCI = regional cooperation and integration; RETA = regional technical assistance; SERD = Southeast Asia Regional Department; SDCC = Sustainable Development and Climate Change Department; TA = technical assistance.

Note: "Publications" may include databases, multimedia, and other forms of documentation. "Events" may include event organization and training or capacity development.

Source: Asian Development Bank Knowledge Nexus.

Table A5.2: Additional Knowledge Publications and Events Delivered in 2017

Title of Publication or Event	Subject	Туре	Department or Sector Group or Thematic Group	Technical Assistance
Assessment of Microinsurance as Emerging Microfinance for the Poor: The Case of the Philippines	Finance	Publication and documentation (technical study)	SERD	Non-TA
Accelerating Financial Inclusion in South-East Asia with Digital Finance	Finance, ICT	Publication and documentation (technical study)	SERD	Non-TA
ADBI Working Paper Series No. 662: Income and Consumption Inequality in the Philippines: A Stochastic Dominance Analysis of Household Unit Records	Economics, Poverty	Publication and documentation (working paper)	ADBI	Non-TA
How Youth Can Lead Development Through Tech Key Indicators for Asia and the Pacific (KI) 2017 Special Report on Meeting Asia's Infrastructure Needs	Governance, PSM Capacity Development, Economics, Governance, PSM	Multimedia (blog post) Publication and documentation (flagship study)	DER ERCD	Non-TA Non-TA
Internal Audit – Capability Model Survey	Capacity Development, Governance, PSM	Multimedia (PowerPoint)	OAG	Non-TA
Philippines Association of Government Internal Auditors (AGIA) Leadership Workshop	Capacity Development, Governance, PSM	Multimedia (PowerPoint)	OAG	Non-TA
Gender Equality, Leadership, and Journalism Asian Development Bank and Philippines: Fact Sheet 2016	Gender Governance	Multimedia (video) Publication and documentation (awareness raising brochure or leaflet)	SDCC SERD	Non-TA Non-TA
Are infrastructure bonds the next big thing in infrastructure financing?	Finance, RCI, Industry, and Trade, Capacity Development	Multimedia (blog post)	ERCD	RETA 8400
Electrifying Emerging ASEAN Through Off-Grid Distributed Renewable Energy Systems	Economics, Energy, Environment, Governance, PSM	Multimedia (blog post)	ADBI and DER	Non-TA
Banking on the Future of Asia and the Pacific: 50 Years of the Asian Development Bank	Governance	Publication and documentation (technical study)	SPD	Non-TA
Built to Last: National Community-Driven Development Project, Philippines	Education	Multimedia (video)	DER	Non-TA
Philippines' Nationally Determined Contribution Roadmap	Environment, Energy, Industry, and Trade, Transport	Multimedia (PowerPoint)	OGC	Non-TA
Philippines: Asia's Rare Bright Spot	Governance	Multimedia (video)	DER	Non-TA
ADB TTT Philippines: Updates	Environment, RCI, Capacity Development	Multimedia (PowerPoint)	OGC	Non-TA

THE COLUMN TWO IS NOT	0.11	-	Department or Sector Group or	Technical
Title of Publication or Event	Subject	Туре	Thematic Group	Assistance
Half a Century of Philippines-ADB Partnership	Governance	Multimedia (video)	SERD/DER	Non-TA
Kapit-Bisig: Linking Arms—Five Decades of Philippines-ADB Partnership	Governance	Publication and documentation (awareness-raising)	SERD	Non-TA
Bookmark-teaser for Kapit-Bisig: Linking Arms	Governance	Publication and documentation (awareness-raising)	SERD	Non-TA
Let's Reeducate Ourselves About the Environment—Who's with Me?	Environment	Multimedia (blog post)	SERD	Non-TA
Why Preserving Urban Heritage Makes Economic Sense	Water	Multimedia (blog post)	SDCC	Non-TA
ADB Education Assistance Works: Just Ask Filipino Student Levelyn Dapito	Education	Multimedia (video)	DER	Non-TA
Metro Manila's Water PPP: Take-aways of a Regulator	Water	Multimedia (PowerPoint)	SDCC	Non-TA
ADB Southeast Asia Working Paper Series No. 13: Scaling Up	Private Sector,	Publication and	SERD	Non-TA
Infrastructure Investment in the Philippines: Role of Public– Private Partnership and Issues	Governance	documentation (working paper)		
Distinguished Water Leaders Series: Lessons from the Philippines' MWSS Regulatory Office	Water	Event organization	SDCC	Non-TA
Forum on Philippine Health Agenda: Bringing UHC to Juan and Juana	Health	Event organization	SDCC	RETA 8983
Consultation Meeting on Noncommunicable Disease Intervention	Health	Event organization	SDCC	RETA 8983
Consultation Workshop on ASEAN Skills Mobility Monitoring System	Economics	Capacity development	ERCD	RETA 8881
Refresher Training for Enumerators of Youth Education Investment and Labor Market Outcome Survey	Education	Capacity development	ERCD	RETA 8513
Training of enumerators for the Youth Education Investment and Labor Market Outcome Survey	Education	Capacity development	ERCD	RETA 8513
Workshop on Information and Communication Technology in Social Safeguards	Safeguards	Capacity development	SDCC	TA 8778
Training Workshop of Youth Education Investments and Labor Market Outcome Survey Team Leaders	Education	Capacity development	ERCD	RETA 8513
Key Concepts on Post-Disaster Recovery: Risk-Informed Land Use Planning	Climate Change	Publication and documentation (awareness raising material)	SERD	RETA 8812
Proceedings of the Regional Knowledge Forum on Post-Disaster Recovery: Risk-Informed Land Use Planning	Climate Change	Publication and documentation (awareness raising material)	SERD	RETA 8812
Shared Lessons from the Regional Knowledge Forum on Post- Disaster Recovery: Risk-Informed Land Use Planning	Climate Change	Publication and documentation (awareness raising material)	SERD	RETA 8812

Title of Publication or Event	Subject	Туре	Department or Sector Group or Thematic Group	Technical Assistance
Country Operations Business Plan: Philippines, 2018–2020	Country Assistance Program and Strategy	Publication and documentation (awareness raising material)	SERD	Non-TA
Framework Strategy for Growth Corridors in Mindanao	Governance	Publication and documentation (awareness raising material)	SERD	Non-TA
Philippines Country Knowledge Strategy and Plan, 2012–2016	Country Assistance Program and Strategy	Publication and documentation (awareness raising material)	SERD	Non-TA
Total number of publications = 30		raising material)		

Total number of events = 8

ADB = Asian Development Bank; ADBI = Asian Development Bank Institute; ASEAN = Association of Southeast Asian Nations; DER = Department of External Relations; ERCD = Economic Research and Regional Cooperation Department; ICT = information and communication technology; MWSS = Metropolitan Waterworks and Sewerage System; OAG = Office of the Auditor General; OGC = Office of the General Counsel; PPP = public-private partnerships; PSM = public sector management; RCI = regional cooperation and integration; RETA = regional technical assistance; SERD = Southeast Asia Regional Department; SDCC = Sustainable Development and Climate Change Department; SPD = Strategy, Policy and Review Department; TA = technical assistance; Tech = technology; TTT = Train-the-Trainers.

Note: "Publications" may include databases, multimedia, and other forms of documentation. "Events" may include event organization and training or capacity development. The table includes additional knowledge publications and events delivered outside the list of indicative knowledge publications and events included in the 2017 country operations business plan.

Source: Asian Development Bank Knowledge Nexus.