



The World Bank

Fourth Disaster Risk Management Development Policy Loan with a Catastrophe-Deferred Drawdown Option
(P177125)

Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 03-Aug-2021 | Report No: PIDC32321



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(P177125)

BASIC INFORMATION

A. Basic Project Data

Country Philippines	Project ID P177125	Project Name Fourth Disaster Risk Management Development Policy Loan with a Catastrophe-Deferred Drawdown Option (P177125)	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Board Date Oct 28, 2021	Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Development Policy Financing
Borrower(s) Republic of the Philippines	Implementing Agency Department of Finance		

Proposed Development Objective(s)

The development objective is to strengthen the Government of the Philippines' institutional and financial capacity to manage risks from climate change, natural disasters, and disease outbreaks.

Financing (in US\$, Millions)

SUMMARY

Total Financing	500.00
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DETAILS

Total World Bank Group Financing	500.00
World Bank Lending	500.00

Decision

The review did authorize the preparation to continue



B. Introduction and Context

Country Context

The Philippines remains highly vulnerable to multiple hazards due to its unique geography and is likely to experience even more frequent and intense climate-related disasters in the future. These include typhoons, earthquakes, floods, storm surges, tsunamis, volcanic eruptions, and landslides. The country ranks ninth as the most affected country from extreme weather events, second highest among Asian countries based on the World Risk Index 2020¹. It is estimated that at least 74 percent of Filipinos are vulnerable to multiple hazards; and in the past thirty years, 33,000 people have died and 120 million people have been adversely affected by natural disasters.² Climate change projection by the Philippine Atmospheric, Geophysical and Astronomical Services Administration indicates continuous warming at a rate of 0.1°C per decade. There are also increasing trends in annual rainfall and seasonal rainfall in many parts of the country associated with extreme rainfall events, minimal increase in the frequency of very strong tropical cyclones exceeding 170 kph, and a 20cm increase in sea level rise by the end of the 21st century.³

Disasters threaten development and can cause severe economic and fiscal shocks, affecting the most vulnerable. From 2010 to 2019, the total damages incurred by the Philippines due to extreme events and natural disasters amounted to Php 463 billion (US\$ 9.2 billion), of which Php 290 billion (US\$ 5.8 billion) was in the agriculture sector alone.⁴ Based on the Philippines catastrophe risk model, it is estimated that the country faces average losses of Php133.2 billion (US\$ 2.6 billion) from typhoons and Php43.5 billion (US\$ 0.9 billion) from earthquakes each year. Economic losses may further increase in the coming years as the severity of disasters intensifies. Between FY2015-2018 the Government spent an average of 0.6 percent of GDP, or Php91.9 billion (US\$1.9 billion) per year, on disaster-related response, recovery, and reconstruction activities.⁵

Disaster impacts compound the unprecedented impacts of the COVID-19 pandemic on economic growth and poverty reduction. The Philippines continues to face risks and economic disruption brought about by the COVID-19 pandemic, on top of the risks from natural disasters and climate change. The economy contracted by 4.2 percent in the first quarter of 2021 amid the prolonged implementation of containment measures and a deterioration in domestic demand conditions. Essential health protocols such as social distancing and lockdown measures have resulted in massive disruptions on mobility, tourism, business operations, and local supply chains, resulting in major losses in household income and workers' unemployment. A surge in COVID-19 cases occurred beginning March 2021 due to slight relaxation of containment measures. COVID-19 pandemic has likewise threatened to reverse the country's headway in reducing poverty. The country's poverty rate declined from 25.2 percent in 2012 to 16.6 percent in 2018.

The proposed Fourth Disaster Risk Management Development Policy Loan (DPL) with a Catastrophe Deferred Drawdown Option (CAT-DDO4) of US\$500 million aims to strengthen the Government of the Philippines' institutional and financial capacity to manage risks from climate change, natural disasters, and disease outbreaks. The operation builds on the achievements and lessons learned from the first and second DPL with CAT-DDO projects (P125943 and

¹ <http://weltrisikoericht.de/english/> The World Risk Index is calculated on a country-by-country basis through multiplication of exposure and vulnerability. Exposure covers threats of the population due to earthquakes, storms, floods, droughts, and sea-level rise. Vulnerability focuses on societies' capacity to cope

² World Bank Group (2019). Country Partnership Framework for the Republic of the Philippines 2019-2023.

³ Philippine Development Plan 2017-2022.

⁴ Philippine Statistics Authority. <https://psa.gov.ph/content/damages-due-natural-extreme-events-and-disasters-amounted-php-463-billion>.

⁵ World Bank Group (2020). Public Expenditure Review: Disaster Response and Rehabilitation in the Philippines.



P155656), the Third Disaster Risk Management (DRM) DPL (P171440) as well as the decade-long partnership between the Bank and the Government related to enhancing DRM, disaster risk financing and climate change adaptation.

The macroeconomic policy framework is adequate for the purpose of the proposed operation. The government is taking necessary measures to mitigate the impact of the crisis while committed to maintaining macroeconomic stability. On monetary policy, the Bangko Sentral ng Pilipinas (central bank) is committed to the inflation-targeting objective and is responsive to global interest rate movements. It has maintained a market-determined exchange rate regime as the first line of defense against external shocks and accumulated sizable foreign exchange reserves as a second line of defense. On fiscal policy, the authorities are committed to fiscal consolidation over the medium term, which is credible considering the conservative expenditure policy in the past 10 years, which created fiscal space allowing the expansion of public expenditure to manage the COVID-19 impacts, and public investment program to support recovery. In addition, the government is committed to accelerate the pace of structural reforms as part of the recovery to further promote competitiveness and support growth. Public debt is sustainable owing to the expected growth recovery and fiscal consolidation.

Relationship to CPF

The proposed CAT-DDO4 is fully aligned with the Systematic Country Diagnostic (SCD) as well as with the current Country Partnership Framework of the World Bank Group for the Philippines (CPF, Report No. 24605-PH for FY2019-2023) and the Bank's commitment to address the impacts of climate change. The SCD identified policy priorities that can further position the Philippines to address the country's core constraints to reducing poverty and promoting shared prosperity in line with the Philippine's *Ambisyon Natin* vision. It also highlighted the need for actions that aim at addressing intense vulnerabilities by scaling up efforts to protect the country from natural disasters and climate change impacts. The proposed operation supports the CPF objective of reducing core constraints to inclusive growth and poverty reduction in relation to people, competition, and key vulnerabilities. In particular, it supports the CPF focus area on Promoting Peace and Building Resilience, which aims to address the country's core vulnerabilities of conflict alongside natural disasters and climate change, which pose the most significant risks to future growth in the Philippines. Under the same focus area, the proposed CAT-DDO 4 also supports the implementation of the Philippines Nationally Determined Contribution particularly as it relates to climate resilience. The Bank is committed to provide technical assistance, knowledge and capacity-building including increasing government capacity to implement the Philippine Risk Resiliency Program.

The proposed CAT-DDO4 directly contributes to the achievement of the World Bank's Twin Goals of ending extreme poverty and promoting shared prosperity. A strong linkage exists between enhancing resilience and poverty reduction. The impact of natural disasters and climate change along with disease outbreaks in terms of losses of assets and well-being are substantial. The increased frequency of recurrence and higher magnitude of impact have resulted in the poor being trapped in the vicious cycle of poverty. Thus, any intervention to help the country reduce risks and increase its ability to cope with disasters, climate change and disease outbreaks will also help reduce poverty. Alternatively, any poverty reduction measure will help reduce risks and increase the country's resilience to shocks associated with disasters, climate change and pandemics.

The proposed operation complements WBG-supported operations and technical assistance activities. These include: (i) *DRM-DPL 3* (P171440, DPF, US\$500 million, ongoing), which aims to strengthen GOP's policy and institutional capacity of the Government of the Philippines to reduce disaster risk, respond to and recover from natural disasters; (ii) *Promoting Competitiveness and Enhancing Resilience to Natural Disasters Subprogram 2* (P170052, DPF, US\$600 million, ongoing),



which focuses on enhancing government's financial resilience by integrating risk financing in fiscal planning; improving financial risk management of public assets by developing asset management; and investing in reducing the contingent liability of the government through actions that promote private catastrophe risk insurance; (iii) *First Financial Sector Reform Development Policy Financing* (P175008, DPF, US\$400 million), which supports financial reforms that will assist GOP in achieving a resilient, inclusive and sustainable financial sector; (iv) *Philippines Seismic Risk and Resilience Project* (P171419, IPF, US\$300 million, approved), which seeks to support the Government's Earthquake Resiliency Program for Greater Metro Manila area; and (v) *Philippines Sustainable, Inclusive and Resilient Tourism Project* (P171556, US\$150 million, under preparation), which intends to strengthen the resilience of communities by improving local infrastructure, developing livelihood opportunities, and increasing disaster preparedness in selected tourism destinations.

Proposed Development Objective(s)

The development objective of the proposed CAT-DDO4 is to strengthen the GOP's institutional and financial capacity to manage risks from climate change, natural disasters, and disease outbreaks. This objective is supported by reforms organized under two pillars: Pillar A - Strengthening Disaster Response Policies and Planning, and Pillar B - Strengthening the Resilience of Government Programs.

Key Results

The CAT-DDO 4 will support GOP's continued efforts in building the country's resilience to natural disasters, climate change and disease outbreaks. It will focus on addressing the key gaps in the management of risks associated with natural disasters and support actions geared towards: (i) institutionalize the use of Disaster Recovery Plans for Vulnerable local government units (LGUs) in requesting access for funding from the National Disaster Risk Reduction and Management (NDRRM) Fund to expedite the rehabilitation and reconstruction process, (ii) integrate climate and disaster risk information of LGUs within the National Government's Geospatial Information Management and Analysis Project for Hazards and Risk Assessment in the Philippines (GeoRiskPH) platform; (iii) expand Government's existing skills development program to vulnerable workers affected by COVID-19 pandemic and future health emergencies and disasters; (iv) increase the number of recognized community-based trainers supporting vulnerable LGUs in disaster response, rehabilitation and recovery; (v) integrate climate change adaptation and disaster risk reduction measures in local investment plans of vulnerable provincial LGUs; and (vi) update the existing Provincial Commodity Investment Plans based on climate risk vulnerability assessment.

Concept Description

Prior Action #1: The Government has improved the use of NDRRM Fund by linking planning and funding approval through the use of Disaster Rehabilitation and Recovery Plans mandated through NDRRM Council memorandum circular.

The NDRRM Council has issued the revised guidelines on the administration of the NDRRM Fund to enhance its responsiveness, transparency, and accountability. Under the revised Guidelines, the NDRRM Council has rolled out the use of the approved Disaster Rehabilitation and Recovery Plans⁶ as a requirement to request funding from the NDRRM Fund for recovery and reconstruction projects. Closely linking rehabilitation and recovery planning to funding approvals

⁶ These plans may be prepared ahead during the pre-disaster phase and may be updated once a disaster happens. With pre-disaster rehabilitation and recovery plans in place, LGUs shorten the process of overall disaster recovery phase in a more effective and efficient manner by (i) putting in place institutional arrangements and coordination mechanisms before disasters occur; and (ii) identifying possible disaster scenarios and corresponding local recovery needs and resources.



will speed up the rehabilitation and recovery process while ensuring that spending is aligned with a comprehensive disaster rehabilitation and recovery plan and the country's broader development goals. Given the limited resources, the NDRRM Council has also adopted equity-based prioritization criteria in reviewing and approving funding proposals with a focus on vulnerable and low income LGUs. These include geographic vulnerability, population, poverty incidence, income class, and intensity of impact of damages on population, housing, agriculture, and infrastructure. CAT DDO4 is targeting that 50 percent of vulnerable LGUs affected by disasters would use the approved Disaster Recovery and Rehabilitation Plans to request funding from the NDRRM Fund.

Prior Action #2: The Government has directed NGAs and LGUs to establish baseline data for disaster and climate risks to inform DRM interventions through the NDRRM Plan 2020-2030.

The Government, through the Updated NDRRM Plan 2020-2030, directs NGAs and LGUs to collect updated baseline information for all hazards and risks assessments to inform DRM interventions, specifically the development of local and national DRM strategies. The Government further directs the NGAs and LGUs to keep all information in GeoRiskPH, the Government's central multi-hazard database system.

Currently, information in the GeoRiskPH is based on the information provided by the different NGAs but lacks comprehensive information from LGUs. There is a need to enhance the granularity of data by integrating the updated LGU-specific information and datasets to further improve hazard and risk assessments and analytics. This may also include health-related information and data analytics that are essential for the Government to enhance its preparedness and build resilience from future public health emergencies. Improved accuracy, availability, access and use of integrated disaster and climate data will lead to timely and informed policy-making, planning, and investment programming. It will also facilitate tracking of progress of DRM efforts in the country. Under CAT-DDO4, the GeoRiskPH platform is expected to incorporate comprehensive climate and disaster data of 100 LGUs.

Prior Action #3: The Government has approved the National Employment Recovery Strategy (NERS) 2021-2022 to address the social and economic challenges brought by the COVID-19 pandemic and future health emergencies and disasters through the issuance of the President's Executive Order.

The slow-down of global and domestic economic activities due to the imposition of prolonged lockdowns, physical distancing, and other community restrictions to contain the COVID-19 pandemic have resulted in massive employment disruptions. Many firms had to adjust their levels of employment, wages and benefits, and mode of operations. To mitigate the adverse socio-economic impacts and protect households from falling into poverty and deprivation, it is critical and urgent to provide support to businesses while improving employability and productivity of workers. Labor market conditions may no longer return to business-as-usual but may transition to a "new normal". The Government, through Executive Order 140, is implementing the NERS 2021-2022 to respond to the changes in the labor market conditions as a result of the COVID-19 pandemic as well as the accelerated adoption of new technologies. Anchored in the Updated Philippine Development Plan (PDP) 2017-2022 and *Ambisyon Natin 2040*, the NERS calls for the: (i) creation of a policy environment that encourages generation of and improved access to employment, livelihood, and training opportunities; (ii) improvement in employability, wellness, and productivity of workers; and (iii) provision of support to existing and emerging businesses; and (iv) preservation of employment. The NERS is also expected to strengthen the implementation of the Government's Eight Point Recovery Agenda, which includes retooling and upskilling of unemployed or displaced vulnerable workers to address shifts in the demand for skills and qualifications in the labor market to ensure a future-ready Filipino workforce post-pandemic.



Government's existing skills development program under the Technical Education and Skills Development Authority (TESDA) would be expanded to vulnerable workers affected by COVID-19 pandemic and future health emergencies and disasters. It is expected that an additional 22,000 (10 percent of 2021 baseline of 220,000) TESDA scholar graduates classified as unemployed or displaced vulnerable workers would be trained in technical vocational education and training (TVET) courses by 2024. Of which at least 50 percent are women trainees.

Prior Action #4: The Government has adopted a standardized approach in the provision of disaster response- related TVET in vulnerable LGUs through TESDA Circular.

The need for skilled workers to support post-disaster response, rehabilitation and recovery activities is in high demand. However, in most post-disaster situations, there is a shortage of skilled workers that result in prolonged duration of rehabilitation in communities affected by disasters. Providing skills training in areas highly demanded during post-disaster response, reconstruction and recovery phase such as -in building construction and welding, electrical installation and maintenance, heavy equipment operation, food production, agricultural crops production, etc., can alleviate the shortage in post-disaster labor requirements and can speed up rehabilitation and recovery of communities affected by disasters.

TESDA Circular No. 11 outlines the agency's implementing guidelines in the provision of support for disaster response including skills and livelihood training. As part of its mandate, TESDA trains and organizes community trainers on various skills including disaster response, rehabilitation, and recovery-related skills. This pool of community trainers is tapped by TESDA to provide basic skills training to disaster-affected communities. Given the frequency and increasing magnitude of disasters there is a need to increase the number of existing community-based trainers and be strategically organized for immediate deployment post-disasters. TESDA would be able to prioritize training and organizing community trainers based on the available data on vulnerable LGUs.

The CAT-DDO4 will support TESDA in increasing the number of recognized community-based trainers supporting vulnerable LGUs in disaster response, rehabilitation, and recovery from ___ to ___. ___ of which are women trainers.

Prior Action #5: The Government issued the Guidelines on the Preparation of Devolution Transition Plans of LGUs in Support of Full Devolution under Executive Order No. 138 through a DBM and DILG Joint Memorandum Circular ____.

The Government's Risk Resilience Program (RRP) is the Government's investment program for climate change adaptation and resilience that converges the efforts and resources of provincial LGUs and national government agencies to increase coherence, linkages, and synergies across agencies in addressing climate change vulnerability. The RRP focuses on the CCA- DRM measures of priority provincial LGUs that are highly susceptible to climate hazards, with high poverty incidence, and situated in critical watersheds or geographic and programmatic areas of focus of the Government. It is geared towards the delivery of four key outcomes: (i) sustainable and resilient rural livelihood; (ii) resilient protective infrastructure; (iii) clean air and adequate water supply; and (iv) protection of natural resources. The implementation of the Mandanas Ruling will increase the Internal Revenue transfers to LGUs, along with full devolution of the functions mandated by the 1991 Local Government Code and succeeding laws. This includes mainstreaming climate change in local plans and implementing local climate change action plans, with technical and financial assistance from national government, as mandated by the Climate Change Act of 2009. The Government is revisiting the investment programs of LGUs given the changes in the distribution of efforts and resources between the provincial LGUs and the NGAs and to ensure that the identified investments are responsive to the needs of the LGUs and at the same time aligned with national resilience priorities.

Executive Order No. 138 provides an enabling environment for convergence as NGAs and LGUs transition to full



devolution. Pursuant to this, the Joint Memorandum Circular (JMC) ___ instructs all LGUs to prepare Devolution Transition Plans (DTP), which will serve as the LGUs' roadmap towards systematic and coherent actions in assuming their devolved functions and services that can be used to leverage support from NGAs and other stakeholders. It will be the primary consideration in the formulation of the local development plans and investment programs and foster the alignment of priorities and complementation of resources. The DTPs will be the basis for RRP priority provincial LGUs to work with concerned NGAs in updating and/or developing their respective investment program for risk resilience. Under CAT-DDO4, it is expected that CCA-DRM measures would be integrated in 24 vulnerable provincial LGUs and are consistent with the guidelines on the preparation of LGU DTPs.

Prior Action #6: The Government is integrating CCA-DRM in national and local planning and budgeting and has mandated the tagging of climate adaptation expenditures in the budget system through the General Appropriations Act (GAA) of 2020 (Republic Act 11518).

Under Section 38 of Republic Act 11518 (GAA of 2020), all NGAs and LGUs are required to tag their budgets for climate change adaptation and mitigation. The submissions from the NGAs and LGUs will inform subsequent budgets to mainstream CCA-DRM in national and local development strategies and processes. With the reforms introduced by the implementation of the Mandanas Ruling, the GAA ensures that climate-related investments remain a priority for government funding and mainstreamed in the local and national development process. The Department of Budget and Management has further issued the Local Budget Memorandum for 2022 to guide the budget preparations pursuant to the implementation of the Mandanas Ruling and Executive Order No. 138 on Full Devolution. Section 2.2.16 of the Local Budget Memorandum reiterates the responsibility of LGUs to identify, tag, and prioritize their respective climate change program, projects, and activities. Along with the Local Expenditure Program, by 2024, LGUs will have to submit their respective climate change-tagged Annual Investment Plans, Local Climate Change Action Plan, and Local DRRM Plan, and the DTP and capacity development agenda, in line with Executive Order No. 138.

CAT-DDO4 will support Government's efforts towards increased participation of NGAs and LGUs in disaster and climate budget tagging. With the policy in place and embedded in the budget system, compliance to the climate change and DRM expenditure tagging is expected to increase to 60 percent for NGAs and 30 percent for LGUs by 2024.

Prior Action #7: The Government has issued a directive to adopt climate risk vulnerability assessment in integrating climate risk management and resilience in the updating of existing Provincial Commodity Investment Plans (PCIPs) through a Department of Agriculture (DA) memorandum.

As part of DA's intensified implementation of Climate Resilient Agriculture agenda, DA mandated the completion of climate risk vulnerability assessment (CRVA) for all provinces and institutionalizing the CRVA as a standard assessment and targeting tool for DA's investment projects. The CRVA will be fully integrated into the PCIPs developed under the Philippine Rural Development Project (PRDP). PRDP is DA's flagship project for rural development that aims to establish a modern, value chain-oriented and climate-resilient agriculture and fisheries sector. PRDP supports the updating of the PCIPs to strengthen the interventions in commodity value chains. The PCIPs serve as basis for identifying necessary infrastructure and enterprise development subprojects that can be funded by PRDP with counterpart funding from the LGUs.

The CRVA-PCIP protocol for integrating climate risk management and resilience in updating PCIPs using CRVA was issued in 2021 and was incorporated in the Planning for Agriculture and Fisheries Investment at the Local, Regional and National Levels: Enhanced Operations Manual (I-PLAN e-OM). Through this, provinces will be able to produce more robust investment plans, which will help achieve an inclusive, prosperous and resilient agriculture and fisheries sector. As of 2021,



16 PCIPs have been updated to include enhanced climate and resiliency criteria to prioritize investments according to the I-PLAN e-OM. The target under this operation is that 44 provinces would have completed their enhanced PCIPs by 2024.

Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

Poverty and Social Impacts

Empirical evidence has shown that natural disasters compounded by climate change impacts and pandemics keep or move people back into poverty. Poor people suffer disproportionately because they are less able to cope with and recover from the impacts of natural disasters on consumption and disruptions in income flows. The poor generally have limited labor skills and have fewer assets. They also have limited access to resources and opportunities. They invest less in reducing the risks they face and therefore lose more when disaster strikes. They are unable to access credit and other financial support to help them cope with and recover from the devastating effects of disasters. As disaster happen more frequently, the poor also experience the impact more frequently, trapping them in a virtual cycle of poverty. Moreover, the poor tend to live in low-lying risk prone areas that expose them to multiple hazards. In the Philippines, it is estimated that, on an annual basis, almost half a million Filipinos experience transient consumption poverty due to natural disasters. The bottom income quintile loses around nine percent of their assets, but 31 percent of well-being. It is further estimated that the country loses approximately US\$3.9 billion per year due to disasters, which more than double asset losses of US\$1.4billion.³⁷

The proposed operation will continue to support GOP efforts to mitigate the poverty impacts of natural disasters. Under Pillar 1, the CAT-DDO 4 will facilitate rapid response and recovery through the use of pre-disaster recovery and reconstruction plans as one of the requirements for accessing the NDRRM Fund. The operation will also facilitate the availability and access of local disaster and climate risks data, which are the basis for the design and implementation of DRM interventions, both at the local and national levels. This will help the affected population especially the poor to be better prepared and resilient to the impact of natural disasters and climate change. Moreover, the expansion of Government programs for retooling and upskilling of unemployed or displaced vulnerable workers to address shifts in the demand for skills in the labor market due to COVID-19 pandemic will directly benefit the poor particularly those who have been unemployed and displaced by the compounding impact of natural disasters, climate risk and COVID-19 pandemic. Specific activities under Prior Action 1, 4, and 5 are also geared towards supporting the poor and vulnerable LGUs. Government report has shown that there is a significant imbalance between the risk exposure of the poor and vulnerable LGUs and the availability of resources to prevent and cope with the adverse impacts of disasters. LGUs that face higher vulnerability to natural disasters and climate change fall under the lower income categories.³⁸

Women and men are differently affected by natural disasters and calamities. Women bear the brunt of caring and providing for their families and extended household because of their assigned reproductive and caregiving roles in the community. The CAT-DDO 4 will support actions that will narrow existing gender disparities in Government skills development programs. Under Prior Action 3, the CAT-DDO 4 will look at the gender disaggregation of workers who were unemployed and displaced due to retrenchment or permanent closure of establishments brought by the COVID-19 pandemic. Data from the 2020 Labor Force Survey shows high unemployment and reduced labor force participation for both men and women, but the share of women who have left the labor force, at least in the short-term, is higher. Under Prior Action 4, the CAT-DDO 4 will support initiatives that will (i) enhance the design of TVET course to meet the specific skills and learning needs of women; and (ii) narrow the gender gap by increasing women participation in male-dominated skills development courses (e.g., construction, masonry, etc.). Data shows that women represent only 12 percent of enrollees and graduates of TVET construction related courses. It is also critical to engage women's groups in the training



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and strengthen the capacity of LGUs to undertake outreach, training and advocacy activities that specifically target women and address their specific needs.

Environmental, Forests, and Other Natural Resource Aspects

The CATDDO4 supports reforms that have an overall positive impact to the natural environment and contribute to the resilience of ecosystems, communities, the built environment, and industries. The reforms will prepare the government to mobilize and access resources for climate and disaster resilience, generate information for evidence-based DRM-CCA planning and investment programming, promote transparency and accountability in public spending, and support sectoral programs that address the social and economic challenges brought by the COVID-19 pandemic. Key investment areas in the RRP are expected to contribute to increased resilience of vulnerable communities and critical infrastructure; adequate supply of clean air, water, and other natural resources; enhanced knowledge and access to information and improved institutional capacities. The projects and activities implemented in the priority provinces included forest development, rehabilitation, maintenance and protection, biodiversity protection, coastal, watershed and wetlands assessments, small water impounding systems, and forest land use planning which could have temporary negative environmental impacts such as construction-related pollution. However, the scale is likely to be limited and the associated risks can be readily mitigated.

The Philippines has emphasized its orientation towards climate change and disaster resilience. The NCCAP assesses the country's situation regarding climate change risks and outlines an agenda for adaptation and mitigation for 2011 to 2028. It prioritizes key thematic areas like food security, and climate smart industries and services that this operation supports. The submission of the country's Nationally Determined Contribution to the United Nations Framework Convention on Climate Change on April 15, 2021 highlights the national development objectives and priorities including the transformation of its socio-economic sectors towards climate and disaster-resilient and low-carbon economy.

The Government has environmental regulations in place that will help address the potential environmental impacts associated with the investment programs. Essential elements of good environmental assessment practice are outlined in the Philippine Environmental Impact Statement System, which includes screening, scoping, environmental and social impact assessment, independent review, public participation, disclosure, and monitoring. Investment projects covered under the PEISS requires securing either an Environmental Compliance Certificate before implementation or a certificate of non-coverage. More importantly, such non-coverage is not an exemption from compliance with other environmental laws and government permitting requirements.

This operation will be screened for short and long-term climate change co-benefits.

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APPROVAL

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Approved By

Country Director:	Ndiame Diop	18-Aug-2021
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