



## PHILIPPINES CAS COMPLETION REPORT REVIEW

*This OED review of the FY03-05 CAS program and the CAS Completion Report (CASCRC) finds that there was acceptable progress towards attaining the main objectives of the CAS program—macroeconomic stability and equitable growth, environmentally sustainable rural development, comprehensive human development through access to basic services, and good and effective governance—and the outcome of the Bank's assistance over this period is therefore rated moderately satisfactory (para. 18).*

*Philippine economic performance has improved with higher growth rates in recent years, but macroeconomic instability remains a concern, aggravated by public sector debt over 100 percent of GDP (para. 8). The CAS program has been successful in assisting rural communities to access infrastructure, services and finance (para.11). Despite progress made in strengthening public fiscal management, public procurement in particular, and transparency, major weaknesses remain in the structures of public administration, public expenditure management and civil service (para.17). This Review finds that the CAS program responded flexibly in assisting the Philippine Government to address its development challenges, but issues that plagued the implementation of the economic program in the late 1990s continued to hamper implementation of the FY02 CAS program. This Review recommends that the assistance program strengthen its focus on results and continue to concentrate on improving portfolio performance. Lending should be carefully calibrated with the implementation of reforms and against measurable outcome indicators (para. 20).*

### Background and Context<sup>1</sup>

1. Despite the Philippines' considerable resources and advantages, development outcomes in recent decades have fallen short of potential. A weak investment climate, macroeconomic instability, corruption, and poor infrastructure have placed significant constraints on domestic and foreign investments flows, which, in turn, have depressed economic growth. However, since 2001, a booming regional economy and exceptional harvests in agriculture have helped boost GDP growth from the modest 1.4 percent annual average over the period of 1961-2003 to 4.5 percent in 2002-03 and 6.1 percent in 2004.
2. Slow output growth, combined with rapid population increase, has translated into improvements in the Philippines' standard of living more modest than in several neighboring East Asian countries, and correspondingly slow progress toward reducing poverty. Only in recent years, since 2000, has the pace of rural and urban poverty alleviation begun to improve, and progress toward the Millennium Development Goals

<sup>1</sup> OED reviewed the Bank Assistance Program in the Philippines for the 1986-97 period in 1997 (World Bank, *Philippines: Country Assistance Review*, Report No. 17417, March 2, 1998). The subsequent two CASs (1999 and 2002) incorporated its recommendations—specifically, sharpened focus on poverty, a new rural strategy and program, inclusion of judicial reform, and enhanced partnership with civil society.

(MDGs) accelerated. Nevertheless, additional effort will be needed to achieve MDG targets in areas such as child malnutrition, universal primary education, and maternal mortality rates.

3. The Philippines has long espoused a commitment to fight corruption as part of its efforts to improve government service delivery and reduce poverty. However, actual progress has been slow and the country continues to rank poorly in international perception surveys of corruption. In addition, large public sector deficits and a rising debt burden have reduced resources for human development and infrastructure, created adverse impact on investor confidence and private investment, and also increased the country's vulnerability to shocks. Also inflation is rising in part due to supply side effects, but remains moderate at about 7 percent in 2004.

### **Government Objectives, CAS Objectives, Overview of Implementation**

4. As the CAS Completion Report notes (see CASCRC para. 6), the CAS was neither concise nor consistent in formulating its objectives. This Review structures its assessment of relevance and efficacy around the objectives identified in the Medium-Term Philippines Development Plan (MTPDP), to which the FY03-05 CAS was aligned, namely:

- *Macroeconomic stability and equitable growth based on free enterprise* by (i) strengthening fiscal policy through an improved tax effort and containment of contingent liabilities; (ii) improving the investment climate and enhancing competitiveness; (iii) dealing with banking sector problems and deepening the capital markets; (iv) raising productivity through alleviation of key infrastructural bottlenecks.
- *Environmentally sustainable rural development with social equity* by (i) scaling up the land administration and management program, credit, and micro-credit to encourage rural investment by the poor; (ii) enhancing the implementation capacity of the provincial and municipal units; (iii) targeting the Mindanao and other poor regions.
- *Comprehensive human development through access to basic social services* by (i) improving investments in human resources (education and health) and ensuring access by the poor; and (ii) providing other basic services such as shelter, water supply and sanitation efficiently and sustainably.
- *Good and effective governance* by (i) maintaining a tight “firewall” against graft and corruption; (ii) improving citizen access to information; (iii) increasing confidence in the rule of law, improving governance to strengthen service delivery; and (iv) improving governance in both the public and private sectors to help rebuild investor confidence and improve investment efficiency.

5. The CAS proposed to achieve its objectives through lending, technical assistance, AAA and donor coordination. As the CASCRC notes, cumulative lending commitments made during the CAS implementation period amounted to only US\$379 million, i.e., only one-third of the amount anticipated under the base case, and below the minimum foreseen for the low case. Slow or negligible progress toward key structural reforms, as well as the government's inability to meet the program's fiscal triggers (fiscal deficit reduction and revenue enhancement), eliminated the large component of development policy lending which had been anticipated.

**Table 1: CAS-Proposed versus Actual Commitments (US\$ million)**

Project	Planned *	Status	Actual	Purpose 1/
FY03 Agrarian Reform Community Project II	50.0	Actual	50.00	b
Kalahi CDD Project	100.0	Actual	100.0	c
AARM Social Fund	35.0	Actual	33.6	c
Public Fin. Strengthening (Program Loan)	200.0	Dropped		
Judicial Reform	18.0	Slipped to FY04		
Subtotal	403.0		183.6	
FY04 Rural Power I (APL)	25.0	Actual	10.0	b
Population Mgmt/Women's Health II	30.0	Slipped to FY05		
Health Sector Reform	40.0	Slipped to FY07		
River Basin Development	75.0	Dropped		
Public Sector Reform (Program Loan)	150.0	Dropped		b
		Laguna Lake Inst.	5.0	d
		Judicial Reform (from FY03)	21.9	b
		Diversified Farm Income	60.0	
Subtotal	320.0		96.9	
FY05 Kalahi CDD II	100.0			
Mindanao Rural Dev't Project II (APL)	90.0			
National Roads Improvement Mgt. II (APL)	100.0			
Diversified Farm Income	75.0	Actual (from FY04)		
Land Administration & Management II	30.0	Actual	19.1	b
		Second Women's Health & Safe Motherhood	16.0	c
		Manila Third Sewerage Project	64.0	c
Subtotal	395.0		99.1	
<b>TOTAL</b>	<b>1118.0</b>		<b>379.6</b>	

Source: New CAS and CASCRC

\* Base case taken as planned.

1/ Aligned with the objectives specified in the original CAS: a/ macroeconomic stability and equitable growth, b/ rural development, c/ human development, d/ good and effective governance.

6. Although improved in recent years, project performance and implementation have remained problematic. For example, only 62 percent of the projects that exited the portfolio during FY00-04 had satisfactory outcomes, well below the East Asia and Pacific Region (79 percent) and Bank (75 percent) averages. Only 38 percent had substantial institutional development impact ratings, and 60 percent were considered likely to be sustainable, both of which are also below Region and Bank averages (Annex Table 2). As of April 2005, nearly half of the commitments (US\$1.1 billion over 21 projects) remained undisbursed, and also, according to the Region, a few of the existing projects may require restructuring. However, the reasons for this weak performance do not appear to be rooted primarily in the Bank's contribution, and QAG rated all three projects that it reviewed for quality at entry as satisfactory or highly

satisfactory. QAG also rated the Bank's quality of supervision assessment on five projects as satisfactory.

7. Most of the planned AAA was delivered, albeit with some delay, and was of high quality. In addition, reports were added, mainly in the areas of public sector reform and infrastructure (see Annex Table 3 for a list of formal outputs). Development policy and public expenditure reviews have provided solid foundation for a reform agenda. Informal policy notes, summarizing the Bank's views on a broad range of issues or drawing lessons from the Bank's worldwide experience, have also facilitated the policy dialogue. As documented in the CASCR, the Government values the Bank's intellectual contributions, as does the donor community. QAG also concurred, rating the six studies it evaluated in the FY99-04 period as either satisfactory or highly satisfactory.

### **CAS Implementation by Objectives**

#### ***Objective I: Macroeconomic stability and equitable growth based on free enterprise***

8. The CASCR states that "*While the fiscal situation is improving, it is unlikely that this objective will be met by the end of the FY03-05 CAS period;*" OED agrees with this assessment. Economic performance has improved towards the end of the CAS program period. Real GDP growth increased to 6.1 percent in 2004, the fastest in 15 years. The government's fiscal situation improved to some extent with the ratio of consolidated public sector fiscal deficit to GDP declining from 5.3 percent in 2002 to 4.8 percent in 2004. Notwithstanding the adjustment in consolidated public sector deficit, public sector debt increased from 87 percent of GDP in 2001 to about 101 percent in 2003. The rapid increase in public sector debt was driven by large deficits due primarily to declining tax collection, and rising power sector losses through 2004. Tax revenues declined from 17 percent of GDP in 1997 to 12.3 percent in 2004. The key constraints were the unwillingness of the legislature to approve the needed increase in levels of taxation, and regulatory opposition to adjustment of power and water tariffs to financially sustainable levels. Three large-scale development policy loans could not go forward because the government failed to satisfy the CAS fiscal triggers.

9. Banking sector reform proceeded slowly. Persistent problems include a high level of non-performing assets, insufficient provisioning, and a weak legal and regulatory environment. Debt markets have grown, but public debt growth is crowding out private borrowings. Implementation of the FY02 Financial Sector Assessment Program (FSAP) recommendations remains unsatisfactory, although technical assistance has succeeded in improving financial risk monitoring and bank supervisory capacity. Nevertheless, financial sector weakness remains a major concern for private sector development in the Philippines.

10. Other factors adversely affecting the investment climate, and which showed little improvement, include uncertainty about the slowdown in privatization in power and water, perceived unfairness in the handling of disputes over private infrastructure contracts, power costs, macroeconomic instability, corruption and structure of taxes.

Although the CAS program attempted to address these issues through policy dialogue governance work (see Objective IV Section), investments in power and transportation sectors, and consensus building and capacity development initiatives in the mining sector, the net impact of all these efforts was marginal at best. The Philippines continues to lag well behind other Southeast Asian countries, such as Thailand and Malaysia, in the competition for investor preference.

***Objective II: Environmentally sustainable rural development with social equity***

11. OED agrees with the assessment of the CASCRC that *“The program has been successful in assisting rural communities to access infrastructure, services and finance, which have positive impact within their project areas.”* The CAS program also provided support to the government’s efforts to improve land administration. The Land Administration and Management Project assisted to develop capacity, and it streamlined procedures to provide land titles, which promises greater benefits in the future. The Third Rural Finance Project supported increased financing in rural areas, helping to create an estimated 10,000 rural jobs. However, there is a concern that, as accurately indicated in the CASCRC, the funding mostly reached medium-sized enterprises and is not necessarily getting to small poor farmers. Various Bank projects have funded 1,280 km of rural roads, irrigated 28,410 ha of land, and constructed 19 post harvest and 50 multi-purpose centers.

12. Community-based approaches have gained momentum, increasing community voice in developing investments in line with their development needs. All recent community-oriented projects (Second Agrarian Reform Communities Development, the Autonomous Region in Muslim Mindanao Social Fund, and Comprehensive and Integrated Delivery of Social Services Projects, all approved in FY03) have strong community participation. The Bank has played an important role to coordinate efforts by several bilateral and multilateral donors for the reconstruction of the Mindanao region including conducting a Human Development Study to assess the specific needs.

13. Progress has been made in improving agricultural productivity. Implementation Completion Report (ICR) for the first Agrarian Reform Community Development Project (ARCDP I; completed in FY04) indicates that agricultural projects have had positive impacts on agricultural productivity and household incomes: real household incomes have increased 63 percent, and yields increased 34 percent in project areas.

***Objective III: Comprehensive human development through access to basic services***

14. The CASCRC states that *“The program has been successful in addressing the health, education and basic service needs of the poorer communities by targeting assistance to lower income areas. However, significant challenges still remain: improving quality of education and providing basic services in water, sanitation and solid waste disposal in line with increased demand from urbanization;”* OED agrees with this assessment. Education projects have financed a large number of school constructions and repairs (25,912 school buildings) and have provided basic supplies—around 800,000

desks, and over 70 million textbooks. Education policy notes addressed issues such as education quality, teachers' performance, school-based management, improving educational outcomes among the poor and disadvantaged, and improving the efficiency of the education system.

15. The Program has made funding available to communities, local governments, and water districts for water supply and sanitation investments through rural development projects (for rural communities) and water supply projects (for cities and urbanized municipalities). During the CAS period, according to the CASC 265 rural water systems have been constructed through Bank projects. Use of Bank funding for water systems in the cities and municipalities has been much lower than anticipated because of a combination of factors: changes in administration and priorities following elections; local governments' pursuit of financing at most favorable terms (including lobbying the legislature for grants); and the "cost of doing business" and perceived high transaction cost of Bank loans. Within the major urban areas, urbanization is exacerbating problems of solid waste management and sanitation, with many poor people living in unsafe environments. Industrialization and traffic congestion are causing water and air pollution to worsen in the cities. The Program has supported the development of key legislation: Clean Air Act, Ecological Solid Waste Act, and Clean Water Act. While the Bank has been successful in raising awareness of urban environmental issues (through the Bank's annual *Environmental Monitor* publication) and in assisting the government to improve water supply and sanitation in Metro Manila, the Program has been less successful in reaching out to secondary cities. Difficulties in tariff reforms have also raised questions of sustainability of water and sanitation investments.

#### ***Objective IV: Good and effective governance***

16. The CASC states that "*The Bank met the four sub-objectives under this main objective.*" While OED agrees that positive progress was achieved in these areas, major weaknesses still remain in the structures of public administration, public expenditure management and civil service. This weakness has continued to reduce the effectiveness and equity of public expenditures and impedes the delivery of public services. International comparisons indicate that the Philippines lags the East Asia region in most governance indicators.

17. The assistance program helped strengthen public procurement and financial management capacity by improving legal framework and transparency through civil society participation. The Bank channeled sizeable grants to support improvements in governance. These grants, together with the Public Expenditure and Procurement and Financial Management Reviews (carried out jointly with ADB and the government) provided input into the development of the Procurement Reform Act (passed in 2003). Civil society observers have been involved in public bid committees, providing greater transparency in the bidding process. The ongoing Judicial Reform Project is assisting the Supreme Court in the implementation of institutional reforms to strengthen public confidence in the judiciary system. To guard against corruption in Bank projects, the



Bank has strengthened its procurement and financial management staff in the Manila office and brought in its Department of Internal Integrity to investigate a GEF grant.

### **Overall OED Assessment**

18. The CAS program has not been able to achieve its macroeconomic objectives (Objective I). A large public sector deficit and high levels of public debt have continued to create macroeconomic vulnerability and have limited the government's ability to provide infrastructure, facilities, and services. Yet, many of the key constraints were political and outside of the Bank's immediate sphere of influence, and the Bank appropriately deferred from adjustment lending. Through its projects, the CAS program has been relatively successful in assisting the government in maintaining social services and providing basic infrastructure and services to rural communities and less developed areas, such as Mindanao (Objective II). The CAS program has assisted the government in improving the delivery of education and health services. The program has reached out to poor communities and promoted community participation in the identification, development, and implementation of local investments (Objective III). The Philippines strengthened its procurement and administrative procedures, but more effort is needed as corruption continues to be a significant problem (Objective IV). *Overall, there was acceptable progress towards attaining the main objectives of the CAS program and OED therefore rates the CAS outcome as moderately satisfactory.*

### **Assessment of the CAS Completion Report**

19. The CASCRC provides a comprehensive, detailed, well-documented assessment of the major features of the FY03-05 assistance program. It discusses candidly the achievements and deficiencies of the 2002 CAS implementation. The CASCRC appropriately notes the failure of the Region to: (i) monitor the policy matrix it had produced for two successive CASs, including the last CAS; (ii) generate objectives that were internally consistent; (iii) clearly identify the outcomes expected under each objective; and (iv) provide the means for measuring progress (performance indicators).

### **Findings and Recommendations**

20. The CASCRC Review finds that:

- The CAS program has responded flexibly in assisting the Philippine Government to address its development challenges by providing traditional investment loans for rural infrastructure and social sectors, also through budgetary support for key social expenditures—in particular, education and health sectors. The assistance program has also reached out to communities to help address their immediate needs, initiated innovative approaches, and worked with the key public institutions to improve public administrative practices in procurement and financial management.



- Issues that plagued economic program implementation in the late 1990s— inadequate ownership of the economic reform program, weak public revenue performance, fragile expenditure management and pervasive corruption— continued to hamper implementation of the FY02 CAS program. The policy dialogue has appropriately become more focused on ESW.
- The implementation of the Bank's assistance strategy should continue to focus on improving portfolio performance, as significant undisbursed balances remain in the portfolio.
- The Bank, in implementing its strategy, should continue its knowledge bank activities (AAA program) and its outreach to political leaders, opinion leaders (media), and civil society to build awareness of and promote consensus on challenges facing the country. Increasing public revenues, reducing the fiscal deficit, and containing contingent liabilities will continue to be core challenges for the government.
- Experience in the Philippines suggests that policy based lending has worked better if it is committed after the stage where reforms have become hard to reverse.



Annex Table 1: Macroeconomic and Social Indicators, 1998-2003

Series Name	PHILIPPINES					AVERAGE (1998-2003)					East Asia & Pacific	
	1998	1999	2000	2001	2002	2003	Philippines	Indonesia	Malaysia	Thailand		
GDP growth (annual %)	(1.0)	3.0	6.0	3.0	4.0	5.0	3.3	1.3	2.8	2.0	5.8	
GNI per capita, Atlas method (current US\$)	1,080.0	1,040.0	1,030.0	1,030.0	1,030.0	1,080.0	1,048.3	735.7	3,521.7	2,048.3	901.7	
GNI per capita, PPP (current US\$)	3,850.0	3,940.0	4,170.0	4,300.0	4,450.0	4,640.0	4,225.0	2,928.6	8,118.3	6,441.7	3,873.3	
GDP per capita growth (annual %)	(3.0)	1.0	4.0	1.0	2.0	3.0	1.3	(0.1)	0.5	1.5	4.8	
Agriculture, value added (% of GDP)	17.0	17.0	16.0	15.0	15.0	14.0	15.7	17.4	9.8	9.3	15.8	
Industry, value added (% of GDP)	31.0	31.0	32.0	32.0	33.0	32.0	31.8	44.6	47.5	41.5	46.7	
Services, etc., value added (% of GDP)	52.0	52.0	52.0	53.0	53.0	53.0	52.5	38.1	42.8	49.3	37.5	
Exports of goods and services (% of GDP)	52.0	51.0	55.0	49.0	49.0	48.0	50.7	38.4	117.2	63.2	40.5	
Imports of goods and services (% of GDP)	59.0	51.0	53.0	52.0	49.0	51.0	52.5	31.6	97.2	53.5	35.3	
Current account balance (% of GDP)	2.0	9.0	8.0	2.0	5.0	3.0	4.8	3.4	10.8	8.0	..	
Total Debt Service (% of exports of goods and services)	11.0	14.0	14.0	22.0	20.0	..	16.2	27.2	6.2	20.8	11.8	
External debt (% of GNI)	78.0	72.0	73.0	77.0	71.0	..	74.2	105.5	56.0	70.0	32.7	
Gross domestic savings (% of GDP)	14.0	19.0	23.0	18.0	19.0	16.0	18.2	24.6	44.3	31.8	36.0	
Total reserves in months of imports	3.0	4.0	4.0	5.0	5.0	4.0	4.2	5.4	4.0	5.8	7.8	
Current revenue, excluding current grants (% of GDP) 1/	17.3	16.1	15.0	15.5	14.3	14.5	15.5	18.3	..	16.3	10.5	
Expenditure, total (% of GDP) 1/	19.2	19.7	19.0	19.5	19.6	19.0	19.3	16.4	..	21.5	14.0	
Overall budget balance, excluding grants (% of GDP) 1/	(1.9)	(3.8)	(4.1)	(4.0)	(5.3)	(4.6)	(4.0)	(1.7)	..	(6.0)	..	
Central government debt, total (% of GDP) 1/	67.0	59.0	53.0	59.0	59.0	71.0	61.3	57.3	..	21.3	56.5	
Inflation, consumer prices (annual %)	10.0	7.0	4.0	6.0	3.0	3.0	5.5	17.0	2.3	2.5	..	
Immunization, DPT (% of children ages 12-23 months)	79.0	79.0	79.0	70.0	70.0	..	75.4	74.5	95.0	96.6	83.2	
Improved sanitation facilities (% of population with access)	..	..	83.0	..	..	..	83.0	55.0	..	96.0	47.0	
Improved water source (% of population with access)	..	..	86.0	..	..	..	86.0	78.0	..	84.0	76.0	
Life expectancy at birth, total (years) 2/	..	..	69.0	..	70.0	70.0	69.7	66.0	72.7	69.0	69.0	
Mortality rate, infant (per 1,000 live births) 2/	..	..	30.0	..	28.0	27.0	28.3	33.5	8.0	24.5	33.0	
Population growth (annual %)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	1.0	1.0	
Population, total (in thousand)	73.2	74.9	76.6	78.3	79.9	81.5	77.4	206.3	23.5	60.9	1,813.7	
School enrollment, preprimary (% gross)	31.0	..	30.0	33.0	..	..	31.3	19.3	92.0	87.0	29.3	
School enrollment, primary (% gross)	113.0	..	113.0	112.0	..	..	112.7	109.7	97.3	95.8	113.3	
School enrollment, secondary (% gross)	76.0	..	77.0	82.0	..	..	78.3	56.7	69.3	83.0	65.0	
Urban population (% of total)	57.0	58.0	59.0	59.0	60.0	61.0	59.0	41.9	61.8	31.3	37.5	

Source: WB SIMA database, April 11, 2005.

1/ Figures taken from International Statistics Website of IMF, April 11, 2005.

2/ Figures taken from UNICEF statistics website for year 2003.

Annex Table 2: OED Project Ratings for Philippines, Exit FY00-04

Exit FY	Proj ID	Total Evaluated (\$M)	Outcome Sat	Inst Dev Impact Subst	Sustainability Likely
FY00	PH-SECOND VOCATIONAL TR	35	Sat.	Substantial	Likely
	COCONUT FARMS DEVT.	108	Sat.	Modest	Likely
	Environment and Natural Resources Sector	215	Sat.	Substantial	Likely
	COMMUNAL IRRIG. II	37	Sat.	Modest	Uncertain
	LEYTE CEBU GEOTHERMAL	192	Unsat.	Negligible	Unlikely
	Highway Management	150	Mod. Sat.	Substantial	Likely
	TAX COMPUTERIZATION	58	Mod. Sat.	Substantial	Likely
	LEYTE LUZON GEOTHERMAL	154	Unsat.	Modest	Unlikely
FY01	PH-URBAN HEALTH & NUTRITION	34	Unsat.	Negligible	Unlikely
	IRRIG OPER SUPP II	47	Sat.	Modest	Likely
	PHIL-MUNICIPAL DEVELOPMENT PROJECT III	62	Sat.	Substantial	Likely
	BANK'G SYS REF (FSAL)	100	Unsat.	Modest	Unlikely
FY02	CONS. OF PRIORITY PR	0	Mod. Unsat	Modest	Unlikely
	PH-WOMENS HEALTH & SAFE MOTHERHOOD	12	Mod. Unsat	Modest	Unlikely
	RURAL FINANCE II	150	Sat.	Modest	Likely
FY03	PH-LGU URBAN WATER APL1	5	Unsat.	Modest	Likely
	PH-SECOND SUBIC BAY	26	Sat.	Substantial	Likely
	SZOPAD SOCIAL FUND	10	Sat.	Modest	NE
FY04	TRANSMISSION GRID REINFORCEMENT PROJECT	175	Unsat.	Modest	Unlikely
	PH - AGRARIAN REFORM COMM	50	Sat.	Substantial	Likely
	PH-SOCIAL EXPENDITURE MGMT	100	Sat.	Substantial	Likely

	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (No)	Inst Dev Impact % Subst (No)	Sustainability % Likely (No)
Philippines	1,720	21	61.9	38.1	60.0
East Asia & Pacific	27,057	244	79.3	51.9	73.1
World Bank	118,495	1,635	75.2	48.0	70.4

Source: WB Business Warehouse as of April 21, 2005

Sat. - Satisfactory

Unsat. - Unsatisfactory

Mod. - Moderately

NE - Non-evaluable

**Annex Table 3: Analytical & Advisory Work on Philippines, 1997-2005**

<b>Country Assistance Strategy Documents</b>	<b>Date</b>	<b>Report No.</b>
Country Assistance Strategy Progress Report	3/2/1998	21176
Country Assistance Strategy	4/12/1999	19137
Country Assistance Strategy	5/11/1999	19355
Country Assistance Strategy	4/30/2002	24042
<b>Economic Reports</b>	<b>Date</b>	<b>Report No.</b>
Strengthening Economic Resiliency	11/8/1996	15985
Poverty Assessment Vol. 1 and 2	5/31/2001	20498
Development Policy Review	2/22/2002	23629
<b>Sector Reports</b>	<b>Date</b>	<b>Report No.</b>
Promoting Equitable Rural Growth	5/29/1998	17979
Social Expenditures Priorities	11/13/1998	18562
Managing Global Integration	11/17/1998	17024
The Challenge of Economic Recovery	2/26/1999	18895
Tree Crops For Rural Development- Issues and Strategy Options	6/22/1999	19281
Combating Corruption in the Philippines	5/3/2000	20369
Growth with Equity: The Remaining Agenda	5/3/2000	20066
Filipino Report Card on Pro-poor Services	5/30/2001	22181
Combating Corruption in the Philippines: An Update	9/30/2001	23687
Improving Government Performance: Efficiency and Equity in Managing Public Resources	4/30/2003	24256
Country Water Resources Assistance Strategy 2003	6/30/2003	27020
Governance of Natural Resources in the Philippines	10/8/2003	26210
Development Policy Update	10/16/2003	26946
Education Policy Reforms in Action : A Review of Progress Since PESS and PCER	5/1/2004	28063
Experience In Five Community-Driven Development Projects in the Philippines	9/1/2004	30025
<b>ESMAP Papers</b>	<b>Date</b>	<b>Report No.</b>
Strengthening the Non-Conventional And Rural Energy Development Program	8/31/2001	ESM243
Rural Electrification and Development in the Philippines: The Social and Economic Benefits	5/31/2002	ESM255
<b>Operations Evaluation Studies</b>	<b>Date</b>	<b>Report No.</b>
Country Assistance Review	3/2/1998	17417
Financial Sector Reform: a Review of World Bank Assistance	3/6/1998	17454
Rural Development - From Vision To Action? - Phase II	6/22/2000	20628
The Gender Dimension of Bank Assistance: An Evaluation of Results	1/17/2002	23119

Source: WB Imagebank as of April 11, 2005.

Annex Table 4: Portfolio Status Indicators by Year, 1998-2005

in US\$ million

Country		1998	1999	2000	2001	2002	2003	2004	2005
<b>Philippines</b>									
	# Proj	24	27	22	20	20	20	21	19
	# Proj At Risk	4	11	4	2	4	-	3	3
	% At Risk	16.7	40.7	18.2	10.0	20.0	-	14.3	15.8
	Net Comm Amt	2,190.6	2,656.7	1,807.8	1,339.6	1,284.9	1,347.6	1,113.3	1,086.5
	Comm At Risk	398.0	1,111.1	616.8	110.0	260.8	-	240.0	111.9
	% Commit at Risk	18.2	41.8	34.1	8.2	20.3	-	21.6	10.3
<b>Comparator Countries</b>									
<b>Indonesia</b>									
	# Proj	71	69	61	51	45	38	31	24
	# Proj At Risk	38	19	11	7	13	6	6	4
	% At Risk	53.5	27.5	18.0	13.7	28.9	15.8	19.4	16.7
	Net Comm Amt	7,301.4	6,987.4	5,498.5	4,274.9	3,511.5	2,995.6	2,602.3	2,177.0
	Comm At Risk	3,989.9	1,877.1	776.2	424.5	1,377.9	369.1	533.8	211.1
	% Commit at Risk	54.6	26.9	14.1	9.9	39.2	12.3	20.5	9.7
<b>Malaysia</b>									
	# Proj	2	5	3	1	1	1	1	-
	# Pot Proj	-	-	-	-	-	-	-	-
	% At Risk	-	-	-	-	-	-	-	-
	Net Comm Amt	157.0	561.0	392.5	244.0	244.0	244.0	244.0	-
	Comm At Risk	-	-	-	-	-	-	-	-
	% Commit at Risk	-	-	-	-	-	-	-	-
<b>Thailand</b>									
	# Proj	14	13	12	12	8	5	3	2
	# Pot Proj	-	-	-	1.0	-	-	-	-
	% At Risk	35.7	15.4	-	8.3	12.5	-	-	-
	Net Comm Amt	1,261.4	1,351.2	1,520.1	1,438.3	805.4	563.8	247.3	142.0
	Comm At Risk	504.0	136.6	-	143.4	15.0	-	-	-
	% Commit at Risk	40.0	10.1	-	10.0	1.9	-	-	-

Source: WB Business Warehouse as of April 11, 2005

**Annex Table 5: IBRD/IDA Net Disbursements and Charges Summary Report for Philippines, FY1997-2005**  
*In US\$ million*

<b>FY</b>	<b>Gross Disb</b>	<b>Repay</b>	<b>Net Disbursement</b>	<b>Interest</b>	<b>Fees</b>	<b>Net Transfer</b>
<b>1997</b>	328	414	-86	322	3	-411
<b>1998</b>	308	399	-91	280	3	-373
<b>1999</b>	246	392	-146	262	6	-414
<b>2000</b>	200	375	-175	239	5	-420
<b>2001</b>	122	321	-199	199	5	-403
<b>2002</b>	137	313	-176	163	6	-345
<b>2003</b>	208	347	-139	147	5	-291
<b>2004</b>	167	356	-190	132	3	-325
<b>2005</b>	96	326	-230	92	2	-324
<b>Total</b>	1,812	3,245	-1,432	1,836	37	-3,306

Source: Controller's website as of April 11, 2005.

Annex Table 6: Millennium Development Goals - Philippines Country Profile

	1990	1995	2001	2002
<b>1 Eradicate extreme poverty and hunger</b>	<i>2015 target = halve 1990 \$1 a day poverty and malnutrition rates</i>			
Population below \$1 a day (%)	..	..	14.6	..
Poverty gap at \$1 a day (%)	..	..	2.7	..
Percentage share of income or consumption held by poorest 20%	..	..	5.4	..
Prevalence of child malnutrition (% of children under 5)	33.5	29.6	..	..
Population below minimum level of dietary energy consumption (%)	26	23	22	..
<b>2 Achieve universal primary education</b>	<i>2015 target = net enrollment to 100</i>			
Net primary enrollment ratio (% of relevant age group)	97.5	100	93	..
Percentage of cohort reaching grade 5 (%)	..	..	79.3	..
Youth literacy rate (% ages 15-24)	97.3	98.1	95.1	..
<b>3 Promote gender equality</b>	<i>2005 target = education ratio to 100</i>			
Ratio of girls to boys in primary and secondary education (%)	97.2	98.8	102.3	..
Ratio of young literate females to males (% ages 15-24)	100.4	100.4	101.3	..
Share of women employed in the nonagricultural sector (%)	40.4	40	42.2	..
Proportion of seats held by women in national parliament (%)	..	9	..	..
<b>4 Reduce child mortality</b>	<i>2015 target = reduce 1990 under 5 mortality by two-thirds</i>			
Under 5 mortality rate (per 1,000)	63	50	40	37
Infant mortality rate (per 1,000 live births)	45	36	30	28
Immunization, measles (% of children under 12 months)	85	72	75	73
<b>5 Improve maternal health</b>	<i>2015 target = reduce 1990 maternal mortality by three-fourths</i>			
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	200	..
Births attended by skilled health staff (% of total)	..	52.8	58	..
<b>6 Combat HIV/AIDS, malaria and other diseases</b>	<i>2015 target = halt, and begin to reverse, AIDS, etc.</i>			
Prevalence of HIV, female (% ages 15-24)	..	..	0	..
Contraceptive prevalence rate (% of women ages 15-49)	36.1	48.1	47	..
Number of children orphaned by HIV/AIDS	..	..	4,100.00	..
Incidence of tuberculosis (per 100,000 people)	..	..	297	320
Tuberculosis cases detected under DOTS (%)	..	3	58	57.6
<b>7 Ensure environmental sustainability</b>	<i>2015 target = various (see notes)</i>			
Forest area (% of total land area)	22.4	..	19.4	..
Nationally protected areas (% of total land area)	..	4.9	4.9	5.7
GDP per unit of energy use (PPP \$ per kg oil equivalent)	6.8	6.6	7.6	..
CO2 emissions (metric tons per capita)	0.7	0.9	1	..
Access to an improved water source (% of population)	87	..	86	..
Access to improved sanitation (% of population)	74	..	83	..
Access to secure tenure (% of population)	..	..	..	..
<b>8 Develop a Global Partnership for Development</b>	<i>2015 target = various (see notes)</i>			
Youth unemployment rate (% of total labor force ages 15-24)	15.4	16.1	19	..
Fixed line and mobile telephones (per 1,000 people)	10	27.7	197.8	232.9
Personal computers (per 1,000 people)	3.5	9.6	21.7	27.7
<b>General indicators</b>				
Population	61.0 mil	68.3 mil	78.3 mil	79.9 mil
Gross national income (\$)	45.4 bil	71.2 bil	80.9 bil	82.4 bil
GNI per capita (\$)	740	1,040	1,030	1,030
Adult literacy rate (% of people ages 15 and over)	91.7	93.5	92.6	..
Total fertility rate (births per woman)	4.1	3.8	3.4	3.2
Life expectancy at birth (years)	65.6	67.7	69.3	69.8
Aid (% of GNI)	2.9	1.2	0.8	0.7
External debt (% of GNI)	69.4	51.7	76.5	71.4
Investment (% of GDP)	24.2	22.5	20.6	19.3
Trade (% of GDP)	60.8	80.5	100.3	98.4

Source: World Development Indicators database, April 2004

Note: In some cases the data are for earlier or later years than those stated.

Goal 1 targets: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day. Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Goal 2 target: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Goal 3 target: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.

Goal 4 target: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Goal 5 target: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

Goal 6 targets: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS. Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.

Goal 7 targets: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. Halve, by 2015, the proportion of people without sustainable access to safe drinking water. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Goal 8 targets: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Address the Special Needs of the Least Developed Countries.

Address the Special Needs of landlocked countries and small island developing states. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth. In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.